CITY OF IRVING, TEXAS

FISCAL YEAR 2015-16

Comprehensive Annual Financial Report

for the Fiscal Year ended

September 30, 2016

IRVING
TEXAS

CITY OF IRVING, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2016

Prepared by the
City of Irving, Texas
Financial Services Department

CITY OF IRVING, TEXAS

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IRVING
TEXAS

January 31, 2017

Honorable Mayor and City Council
City of Irving
Irving, Texas

Dear Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Irving, Texas, for the year ended September 30, 2016, is submitted herewith. Responsibility for the accuracy of the data, as well as the completeness and fairness of its presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of city operations on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the CAFR. The city's MD&A can be found on **Pages 5-18**, immediately following the independent auditor's report.

CITY OF IRVING PROFILE

Ideally located between Dallas and Fort Worth, Irving is a city of enormous opportunity. Irving was founded in 1903 during the height of the railroad age. Julius Otto Schulze, a field engineer in charge of a survey crew, and Otis Brown, a rod man, learned that a 32-mile stretch of railroad was being laid from Fort Worth to Dallas. The pair purchased 80 acres of land that became the original town site of Irving. After deeding a land parcel to the railroad, the two men drew up the town plat on a wagon cloth, currently preserved in city archives.

Just as the city's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the outstanding multimodal transportation systems that include an extensive highway system, commuter and freight rail lines, and the Dallas/Fort Worth International Airport, one of the world's busiest airports in the world located at the city's western boundary. The Dallas Area Rapid Transit (DART) Orange Line, completed in August 2014, provides a direct link between Dallas/Fort Worth International Airport and downtown Dallas through Irving. The Orange Line includes stations at two major educational institutions and the Urban Center in Las Colinas, which stands as a major employment hub. Dallas Love Field is located 10 miles to the east of the city. In 2015, J.D. Power and Associates ranked Love Field the highest

in traveler satisfaction (tied with Southwest Florida International Airport) in the medium airport category. On October 13, 2014, the Wright Amendment was lifted, which now allows non-stop flights from Dallas Love Field. The 1979 Wright Amendment originally limited most non-stop flights from Love Field to destinations within Texas and neighboring states. There is unrivaled access to and from the Dallas/Fort Worth Metroplex, North America and the world.

More than 91,000 households and 236,000 residents call Irving home. Irving's Las Colinas development area is home to the largest office park in North Texas. With more than 38 million square feet of office space, 422 buildings and 8,400 businesses, Irving is a corporate powerhouse. In fact, more than 10 percent of Fortune 500 companies have a corporate presence here, including iconic companies such as ExxonMobil, Kimberly-Clark, and Fluor. Significant non-profit operations like Big Brothers Big Sisters, Boy Scouts of America and Mothers Against Drunk Driving also call Irving home.

The city operates under the Council-Manager form of government. A Mayor and eight council members are responsible for enacting ordinances and resolutions establishing policy and governance of the city. The City Manager is the Chief Executive Officer and is responsible for carrying out policies approved by the City Council.

ECONOMIC CONDITIONS AND OUTLOOK

Irving covers 67.6 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived Irving locations include Las Colinas, DFW Freeport and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and healthcare facilities. To encourage development in Irving, five Tax Increment Finance (TIF) Districts have been established to help spur growth in undeveloped and redeveloping areas.

Irving is the nation's 94th largest, Texas' 13th largest and Dallas County's third-largest city, according to the U.S. Census Bureau. Five major highways traverse the city, including Interstate Highway Loop 635, State Highways 161, 114, and 183, and President George Bush Turnpike.

The city's General Obligation Bonds, Series 2016 received the rating of "AAA" from Standard & Poor's and "Aaa" from Moody's Investors Service.

Economic Development Strategic Plan

The Economic Development Strategic Plan is now complete and accepted by City Council. The plan will provide a roadmap for the city in determining where to allocate resources and identify priorities in business retention, redevelopment, recruitment and small business development. This plan will help the city direct its efforts and resources toward a clearly defined vision for its future.

The city's continued focus on economic development has made Irving a leading international business center in America. As a frontrunner in the Dallas-Fort Worth area for attracting and retaining top corporations, Irving boasts 52 Fortune 500 companies with a corporate presence or headquarters in the city.

The city has seen significant increases in property taxes and hotel occupancy taxes in 2016, while the rate of sales tax growth slowed. In the past year, Irving experienced development activity in every land use sector and in every geographic sector of the city. This diverse growth indicates a healthy community. Recently completed projects include office, warehouse, restaurant, and upscale residential development in key areas around the city. In addition, Irving currently has several major commercial, mixed-use, and residential developments underway. Each of these projects will have a significant impact on the city's property tax base, and will enhance Irving's residential, commercial, cultural and recreational amenities. The city offers tax abatements and other incentives that continue to bring major corporations to Irving, and attract and retain major commercial development. Some of the larger projects are described below.

Single-family housing initiatives

The city, in partnership with Hines Real Estate Holdings, saw construction continue on five new subdivisions, Campión Hollows with 125 planned homes, the Bridges of Las Colinas with 399 planned homes, Villas at the Studios with 59 homes, Parkside Estates with 869 planned homes, and Vue Las Colinas with 133 planned homes.

TIRZ #6/Stadium Site

In FY 2015-16, the City Council took several steps to prepare for development in the east part of the city near the crossroads of State Highways 183, 114 and Loop 12. Planned Unit Development zoning (PUD #6) was adopted for approximately 1,000 acres identifying the types of projects to be accepted in the area – office, retail and residential. The City of Irving also contracted with consultant TXP to develop an analysis of the area including potential commercial developments. The data will be used by TXP to recommend a Tax Increment Reinvestment Zone for the area. The proposed TIRZ #6 will set forth tax incentive options for the investment in public infrastructure by future commercial developments. Additionally, the City Council entered into a one-year Memorandum of Understanding with San Diego-based real estate developer Oliver McMillan to conduct several reviews and develop plans for the city-owned former stadium site. City staff and company officials continue to work together on several issues related to the site with the intent to prepare an agreement for the implementation of a large mixed use development plan for the site.

Transit Oriented Development (TOD)

The DART Orange Line was completed in August 2014, and connects Dallas/Fort Worth International Airport with downtown Dallas through Irving. The Orange Line includes five stations in Irving currently in operation with three more pending future development. They include stops at North Lake College, the University of Dallas, two stops in the Las Colinas Urban Center, as well as one stop located at Belt Line Road. The DART TRE line also connects Dallas and Fort Worth with three stops in Irving including the Heritage District. Development proposals around several stations call for high-density, mixed-use developments that combine office, residential, retail and other commercial uses. The city is coordinating with DART to ensure stations will be ready for development including the current Heritage District station and new stations currently under design at the former stadium site and the Verizon campus in the Carpenter Ranch area just west of the convention center.

McKesson Relocation

In March 2016, McKesson, the nation's largest pharmaceutical distributor and 11th on the Fortune 500 list, announced it will open a regional office in Irving. The new office will be located at State Highways 114 and 161. This move is expected to create 1,875 jobs and includes capital investment of $157 million in the location. It is estimated to generate $4.7 billion in economic activity over the next decade.

Pioneer-Verizon/Hidden Ridge Development
Pioneer Natural Resources has committed to move almost 1,100 people from its existing Irving headquarters to a $300 million office campus. The planned office will sit on a 37-acre site as part of Verizon's Hidden Ridge development. Located on 110 acres adjacent to Verizon's existing regional office, Hidden Ridge will be a mixed-use development adjacent to a new DART commuter rail station, connecting D/FW International Airport to downtown Dallas. The Hidden Ridge project will include offices, retail shops, apartments, town homes and a hotel. The development will have room for 10,000 employees and has a projected value of over $1 billion when completed.

Water Street
The Water Street Development, located in the center of the Las Colinas Urban Center, is a mixed-use project that includes approximately 300 to 350 luxury apartments and more than 60,000 square feet of retail shops and restaurants. Several already announced restaurants include: Olivella's Pizzeria, Twisted Root Burger Bar, Main Street Bistro & Bakery, The Londoner Pub, and Planet Sub. The project will include a park for special events and public pathways with access to Lake Carolyn.

Other significant economic development activity in 2016 includes:

- **Alliance Family of Companies** is relocating its headquarters to a larger, more functional and modern office space near its former headquarters in Irving. The new site will have over 25,000 square feet of office space.
- **Avero Diagnostics**, a cancer diagnostics company, is expanding its facility by 18,000 square feet and will add 45 new jobs.
- **CEC Companies,** an electrical contractor, is constructing a new headquarters in Irving that will open in 2016 and will add 400 new jobs.
- **Curt Manufacturing**, a producer of towing equipment, has signed a five-year lease for over 100,000 square feet of industrial space near D/FW international Airport.
- **Jackson-Shaw** is building a new 50-acre industrial park with over 680,000 square feet of space in Irving on State Highway 161 at Conflans Road.
- **Pabst Brewing Co.**, the largest American-owned brewery, has leased 30,000 square feet in Irving and will create 50 to 60 new jobs.
- **Provident Realty Advisors** is converting the 18-acre Las Colinas Equestrian Center into approximately 70 new single-family homes.
- **United Healthcare** has added 240 new jobs to its facility in Irving.

MAJOR INITIATIVES

Health Insurance
While the city has been proactive in managing health costs and improving employee wellness, insurance costs continue to be driven by increases in health care and prescription drug costs and changes in the market due to the Affordable Care Act. In particular, changes in plan design and increases in deductible amounts were adopted to bring the city's insurance plans in-line with the requirements of the Affordable Care Act and avoid payment of the "Cadillac Tax" beginning in 2020. For FY 2016-17, a 5 percent increase in health care costs is budgeted.

Service Enhancements

Fire Station #12
The addition of a 12th fire station has been anticipated for many years, and construction of this station began in the current year. The station consists of an engine company, a ladder company, and an ambulance company. The station is located on the south side of Interstate Highway 635 just west of the Olympus Bridge. The FY 2016-17 budget includes full-year funding for 42 employees to provide staffing for the facility. These positions were filled half-way through the current fiscal year so the new employees could begin training and be available for duty when the station opens in FY 2016-17.

New Police Patrol Beat
As growth continues, the demand for police services has risen. The addition of a patrol beat in FY 2016-17, consisting of eight additional police officers, will help address demands for service and help balance the distribution of the workload among existing beats.

Fire Training Facility
The city is building a new fire training facility to replace the current site, which is aging and is adjacent to residential neighborhoods. The first phase of the facility includes construction of a burn tower and classrooms and is scheduled to be complete in FY 2016-17. To share resources, reduce capital and operating costs, and promote regional cooperation, Irving has entered into an agreement with the City of Grand Prairie for joint use of the facility and sharing of the operating and capital costs.

Twin Wells Golf Course
The city is moving forward with the renovation of its municipal golf course, Twin Wells. The primary capital need is the replacement of the irrigation system. Financing for improvements includes $1.75 million in park bond funds, $800,000 in Water and Sewer Fund, course operation savings of $392,198 and the Self-Insurance Fund of $212,380 to address damage caused by flooding in 2015. The bonds that have already been sold are the full amount authorized by the 2006 bond program.

Irving Museum and Heritage Center
Design of the Irving Museum and Heritage Center will begin in FY 2016-17. The museum will include the city archives and will be located in a portion of the former Central Library building next to City Hall. Once design is substantially complete, renovation of the building and preparation of the museum exhibits can begin, with completion of the project in 2018. A construction budget of $3 million has been set aside in the Museum Fund, and the allocation of $600,000 in fund balance from the Museum Fund will help cover operations and maintenance costs for future years. A new position, Museum Director, has also been included in the budget, with the two existing archivist positions reporting to the director. The Museum and Heritage Center and all other city museums and the Arts Center will be reorganized under the Arts and Cultural Affairs management team to provide comprehensive management for Irving's cultural programs and facilities.

Irving Convention Center
The complex has been very successful, hosting more than 1,666 events and more than 1.297 million people since opening in late January 2011; the complex is averaging 305 events annually. The Irving Convention Center is the first of a three-phase project envisioned by the city to maximize its potential for visitor experience. The next phase is the Irving Music Factory, an entertainment venue authorized by Irving voters in 2007 on the same site anchored by the Convention Center. The final phase will be the

full-service headquarter hotel, which will be located between the convention center and the Irving Music Factory. Once completed, the three part district – the Convention Center, the Hotel, and the Entertainment Venue are expected to make the Urban Center a destination location.

Convention Center Hotel
The Convention Center Hotel is a key component of the city's Convention Center district, which includes the Irving Music Factory and our successful Irving Convention Center. A Master Development Agreement was approved by the City Council in June 2016 and all agreements were approved in January 2017. The hotel is expected to include 350 rooms, approximately 16,000 square feet of meeting space (including a 10,000-square-foot ballroom) and an 840-space parking garage. The hotel will be operated in cooperation with the Convention Center, with a block of rooms set aside for convention group sales, and meeting space agreements that allow the hotel operator to use available space at the Convention Center, and vice versa as needed. Based on current projections, construction will begin in 2017.

Irving Music Factory
In 2016, construction began on The Irving Music Factory. This 18-acre complex will be adjacent to the Irving Convention Center and the Convention Center Hotel in the Las Colinas Urban Center. The venue includes an 8,000-seat amphitheater, plaza, parking garage, restaurants, office tower, and retail space. The entertainment complex will attract patrons from across the Dallas-Fort Worth region, as well as those in town attending conferences. Additionally, it will provide Irving residents and workers a place to visit for dining and entertainment. The project is scheduled to be completed in 2017.

Diversity – The city has 246 employees or 10 percent of the workforce currently receiving bilingual pay. The percentage of contracts competitively awarded in 2016 to Minority and Women-owned Business Enterprise (M/WBE) vendors was 17 percent. The city's goal is to meet or exceed 30 percent.

Transparency – The Financial Services and Communications departments have teamed up to post more financial information to the public. In recognition of these efforts, the city received the highest level Transparency Award for Financial Transparency from the Texas Comptroller for six consecutive years. The award criteria include placing budget documents, annual financial reports, and check registers on the city's website for public review.

Employee Wellness – Employee wellness is a focus throughout the organization to promote a healthy workforce, enhance employee morale, and provide incentives for employees to take control of their health. Irving Wellness Incentive Now **(I Win)** was launched January 2009 to offer wellness and fitness rewards to employees who achieve and maintain good health. Through I Win, employees are able to receive a wellness screening and have the opportunity to participate in programs that encourage wellness accomplishments. More than 2,320 employees have qualified to receive fitness or biometric incentive pay since the program's inception. The goal is for the city to see a reduction in overall healthcare costs and insurance rates by incentivizing employees to take active control of their health, become more physically fit, and have regular wellness screenings.

FINANCIAL INFORMATION

Discussion of Controls – The city's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. generally accepted accounting principles.

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. We believe the controls are appropriate for the level of risk and cost of control.

Information regarding general accounting policies can be found in the Notes to Basic Financial Statements beginning on **Page 33.**

OTHER INFORMATION

Independent Audit – An annual audit is required to be made of the financial statements of the City of Irving by an independent auditor. Weaver & Tidwell LLP was engaged to perform the audit for the fiscal year ended September 30, 2016; the audit opinion is included in this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irving for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015. This was the 32nd consecutive year that the city has received this prestigious national award. To earn the Certificate of Achievement, the city published an easy-to-read and efficiently organized Comprehensive Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The city believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for the 28th consecutive year for its annual appropriated budget dated October 1, 2015. To qualify for the Budget Award, the city's budget document was judged proficient in all categories.

Acknowledgements – Many people are responsible for the preparation of the report, and for the maintenance of the records upon which it is based. Appreciation is expressed to city employees throughout the organization, especially those staff members in Financial Services, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

Chris Hillman
City Manager

Jeff Litchfield, CPA
Chief Financial Officer

CITY OF IRVING, TEXAS

CITY COUNCIL

Beth Van Duyne, Mayor

Brad M. LaMorgese, Mayor Pro-Tem

Allan Meagher, Deputy Mayor Pro-Tem

John Danish, Councilmember

Phil Riddle, Councilmember

Oscar Ward, Councilmember

David Palmer, Councilmember

Kyle Taylor, Councilmember

Dennis Webb, Councilmember

* * * * * * *

Chris Hillman, City Manager

Shanae Jennings, City Secretary

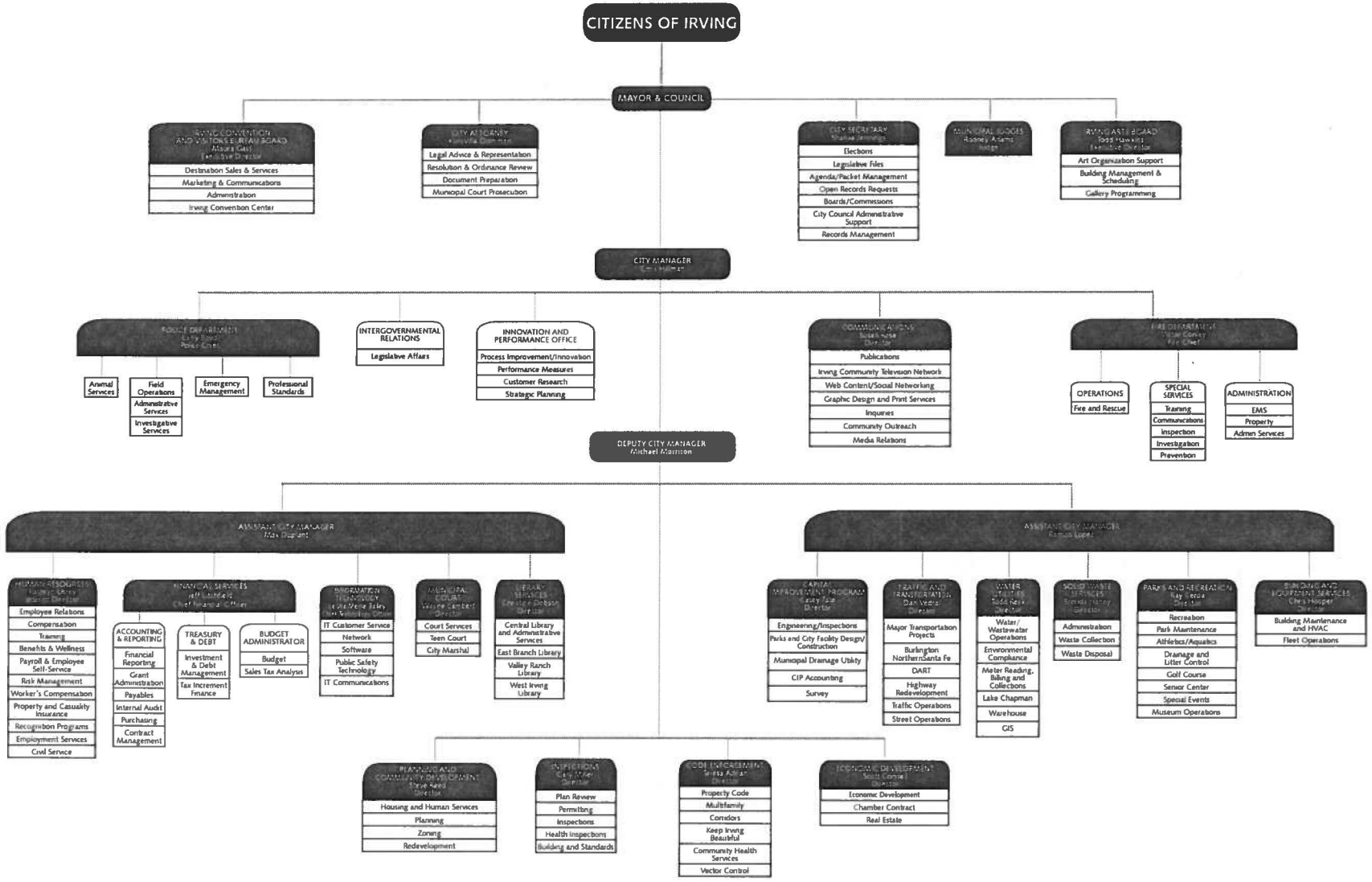
Kuruvilla Oommen, City Attorney

Jeff Litchfield, Chief Financial Officer

Regina H. Givens, Controller

Martin Avila, Accounting Manager

Organizational Chart



Sept. 30, 2016

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irving

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of City Council
City of Irving, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Irving, Texas (the City) as of and for the year ended September 30, 2016, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Budgetary Comparison Schedule-General Fund; Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions; Schedule of Funding Progress, and the notes to the required supplementary information on pages 5 through 18 and 87 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 31, 2017

IRVING
TEXAS

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2016

(Unaudited)

Our discussion and analysis of the City of Irving's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2016. Please read it in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements. We have also provided tables of comparative analyses of selected financial data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $768 million. Of this amount, $619 million (80.6%) represents the net investment in capital assets. Net position restricted for specific purposes totaled $118 million (15.4%). The remaining $31 million (4.0%) are unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The governmental funds reported combined fund balance of $238 million, an increase of $7 million in comparison with prior year. Approximately 23% of this amount ($54.2 million) is available for spending at the City's discretion (unassigned fund balance).
- The total outstanding long-term debt increased by $5 million primarily due to new debt issuances exceeding principal payments and debt refundings during the fiscal year.
- The Debt Service Fund fund balance was $34 million at year-end, which represents 82.5% of the annual debt service payments. Funds that are included in the Debt Service Fund can only be used for debt service.
- Hotel Occupancy Taxes, a leading indicator of economic activity for Irving, increased by $1.5 million or 6.6% to $25.8 million for FY 2015-16. Sales taxes had a slight increase of $621,000 over last year's collections.

UNDERSTANDING AND USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Irving's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

Features of the City of Irving's Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks.	Activities the City operates similar to private business, such as the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred outflows of resources and deferred inflows of resources information	All assets liabilities and deferred inflows and outflows of resources both financial and capital, and short-term and long-term	Current assets, liabilities and deferred inflows and outflows of resources that come due during the year or soon thereafter; no capital assets included	All assets liabilities, deferred inflows of resources and outflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; can include capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements are designed to provide the reader with a snapshot of the City of Irving's finances and activities as a whole. The statements are similar to those found in the annual reports of private-sector businesses.

The Statement of Net Position includes all of the City's assets, liabilities, deferred outflow of resources and deferred inflow of resources, using the accrual basis of accounting. The Statement of Activities accounts for all of the revenues and expenses for the year regardless of when cash is received or paid. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors, such as changes in the property tax base and the condition of the infrastructure (roads, water and sewer lines, and buildings), should also be considered in order to assess the overall health of the City of Irving.

The government-wide financial statements of the City of Irving are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as general government, police, fire, parks and recreation, community development, municipal court, animal services, library and public works. Property taxes, sales taxes, and gross receipts taxes finance most of these activities.
- Business-type activities – The City charges fees to customers to help cover the costs of providing water and sanitary sewer, solid waste and municipal drainage services.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationships (or differences) between them.

The City of Irving presents information separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Debt Service Fund, which are considered to be major funds. Information from the remaining governmental funds is combined into a single, aggregate presentation. Individual fund data is provided later in the Comprehensive Annual Financial Report.

Proprietary funds – Services for which the City charges customers for the services it provides – whether to outside customers or to other units of the City – are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the individual enterprise funds which are Water and Sanitary Sewer, Solid Waste and Municipal Drainage. All enterprise funds are considered major funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Garage and Equipment Replacement Fund, Computer Replacement Fund, and the Self-Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for its employees' Supplemental Benefit Plan and Voluntary Employee Beneficiary Association. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was $768 million as of September 30, 2016 as shown in Table 1. Analyzing the net position and net expenses of governmental and business-type activities separately, the business type activities net position was $385 million. This information focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities. Note that only the unrestricted net position are available for future expenses.

Table 1

Net Position

(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 300	$ 289	$ 126	$ 125	$ 426	$ 414
Capital assets	717	693	491	469	1,208	1,162
Total assets	1,017	982	617	594	1,634	1,576
Total deferred outflow of resources	$ 85	$ 27	$ 12	$ 6	$ 97	$ 33
Non-current liabilities outstanding	691	610	223	214	914	824
Other liabilities	25	29	20	16	45	45
Total liabilities	$ 716	$ 639	$ 243	230	$ 959	$ 869
Total deferred inflow of resources	$ 3	2	1	-	4	2
Net Position						
Net investment in capital assets	307	302	312	291	619	593
Restricted	107	90	11	11	118	101
Unrestricted	(31)	(24)	62	68	31	44
Total net position	$ 383	$ 368	$ 385	$ 370	$ 768	$ 738

The largest portion of the City's net position (80.6%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. As the City uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (15.4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $31 million may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Irving was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities

The City's program revenues for governmental activities had a slight increase of $75,548 during the year primarily due to increase in capital contributions from developers and other governmental entities. The general revenues reflected a net increase of $14.3 million compared to prior year. The net increase was primarily attributed to increases in property ($11.7 million) and hotel/motel ($1.5 million) taxes. The property tax certified roll for tax year 2015 was up $1.88 billion due primarily to increases in commercial real and business personal property values. Commercial values increased by 7.8% or $720 million from the prior year. Business personal property increased by $737.4 million or 15.4%. Residential values also increased by $425 million or 8%. The certified roll of $21.17 billion has increased for the past four tax years, and has surpassed the pre-recession peak of $18.45 billion in tax year 2008. The composition of Irving's tax base is 73% commercial, which is a much larger proportion of the total tax base than other large cities in the Metroplex. As a result, Irving's revenues fluctuate with the business cycle to a greater extent than cities with primarily residential property bases. The business-oriented character of Irving is also reflected in hotel tax revenues, which are primarily driven by business travel which showed a sustained recovery in revenue throughout the year which exceeded the prior year's amount by $1.5 million or 6.4%.

Expenses for governmental activities decreased by $5.7 million. This is primarily attributed to the decrease in the actuarially determined pension cost for FY16. In FY16, the actuarially determined pension cost was $15.6 million compared to the $31.2 million reported in FY15 offset by an increase of $10.8 million in personnel cost. Effective FY15, local governments are required to record the net pension liability; the liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plans to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

Business-type Activities

Business type activities had a net position increase of $15.2 million or 4.1% increase for FY16. The increase in net position for FY15 was $5.9 million. This is primarily attributed to 8% rate increase in 2015-16 for water and wastewater services.

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 26,595	$ 26,354	$ 110,763	$ 102,516	$ 137,358	$ 128,870
Operating grants and contributions	13,761	12,815	-	-	13,761	12,815
Capital grants and contributions	5,928	7,041	6,391	5,676	12,319	12,717
General Revenues:						
Property taxes	124,478	112,750	-	-	124,478	112,750
Sales taxes	65,247	64,626	-	-	65,247	64,626
Other taxes	45,874	44,581	-	-	45,874	44,581
Investment income	917	250	375	125	1,292	375
Miscellaneous	1,005	1,156	-	-	1,005	1,156
Gain on sale of assets	211	162	-	-	211	162
Total revenues	284,016	269,735	117,529	108,317	401,545	378,052
Expenses:						
General government	42,469	40,429	-	-	42,469	40,429
Police	61,715	73,179	-	-	61,715	73,179
Fire	47,935	40,783	-	-	47,935	40,783
Animal services	1,693	1,754	-	-	1,693	1,754
Parks and recreation	19,288	20,323	-	-	19,288	20,323
Municipal court	2,996	3,697	-	-	2,996	3,697
Library	8,085	8,829	-	-	8,085	8,829
Community development	35,217	35,564	-	-	35,217	35,564
Public works	30,045	30,365	-	-	30,045	30,365
Interest on long-term debt	20,281	20,465	6,158	6,434	26,438	26,899
Water and sanitary sewer	-	-	77,729	76,461	77,729	76,461
Solid waste	-	-	12,230	12,477	12,230	12,477
Municipal drainage	-	-	5,617	6,587	5,617	6,587
Total expenses	269,724	275,388	101,734	101,959	371,457	377,347
Increase (decrease) in net position before transfers	14,292	(5,653)	15,795	6,358	30,088	705
Transfers	566	500	(566)	(500)	-	-
Increase (decrease) in net position	14,858	(5,153)	15,229	5,858	30,088	705
Net position beginning of year	368,360	373,513	369,950	364,092	738,310	737,605
Net position end of year	$ 383,218	$ 368,360	$ 385,179	$ 369,950	$ 768,398	$ 738,310

ANALYSIS OF THE CITY'S FUNDS

The unassigned fund balance of the General Fund at the end of the year was $55 million; total fund balance was $61.2 million. The General Fund fund balance increased by $.6 million from the prior year.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2016 the City Council adopted amendments to the budget for the General Fund in the amount of $2.35 million. Adjustments were made to increase the budget for collection fees of $750,000 associated with collection of $1.3 million in misallocated sales tax revenues, provide local matching funds for grants ($3,724), and to provide funding for capital projects and equipment including Twin Wells Golf Course ($392,198) and vehicle and equipment replacement ($1,745,144), Fire Station #12 communications equipment ($97,797) and Centennial Park plaque replacement installation ($82,050). These increases were funded from excess fund balance and projected sales tax collection revenue.

Sales Tax revenues for FY 2015-16 were budgeted at $66.9 million. This was adjusted to $68.18 million based on estimated audit collections. Actual revenues were $65.5 million which was an increase of $1.6 million or 2.5 percent above prior year revenues. Sales taxes were the first major revenue source to exceed pre-recession levels for the city and collections for the fiscal year have continued to grow, but at a lower rate than the past two years.

Property Tax revenues for the current year were above the original budget by approximately $32,000. Current year revenues were 100.2% of the adopted budget, while penalties and interest were $74,100 above budget. Prior period collections were $220,800 below budget due to refunds on prior year taxes from the settlement of tax appraisal lawsuits spanning several years for several large commercial accounts. Based on prior year's collection history, the estimated collection rate on the tax base was set at 98.25%. Actual collections for the year were 98.43% of the amount levied.

Franchise Fee revenues were budgeted at $21 million, but actual revenues were $1.3 million less at $19.7 million. The primary drivers of this decrease were electric and natural gas franchises which were below estimates and taxicab franchise fees, which are being phased out due to changes in regional franchise agreements.

Permit and Inspection revenues for FY 2015-16 were budgeted at $4.5 million. Actual revenues exceeded budget by just over $1 million. The two main drivers of this increase were building permit revenue at $614,484 above budget and paving inspection revenue at $147,581 above budget. This revenue increase reflects the increase in local economic activity from new commercial and residential construction and renovation projects as the city and the region continues to grow.

Revenue from fines, forfeitures and penalties were $1.3 million below the FY 2015-16 budget of $6.4 million. The primary drivers of the decrease were municipal court fines, which were at $1.4 million below budget or 79.6% of budget due to a decrease in the number of fines levied.

Miscellaneous revenues were $1.2 million above the revised budget of $7.5 million budget primarily due to receipt of $542,924 from the state reimbursing for uncollected ambulance fees, adjustments reducing accounts receivable in the net amount of $511,498 due to the sale of properties with tax liens owed to the

city and for the sale of city property in the amount of $521,175.

General Fund revenues decreased from the adopted budget primarily due to sales tax collections well below revised projections and declines in franchise fees and fine revenues. These declines were partially offset by permitting fees and other miscellaneous revenues above budget. The overall revenue variance was just over $2.9 million, which was offset by a larger variance below budget for expenditures.

General Fund expenditures totaled $204.5 million, $8.2 million below the revised budget of $212.66 million. Salary and benefit savings comprise a large portion of these savings with $918,500 in salaries and $540,000 in benefits being saved in temporary vacancies and actual pension and insurance expenditures below budgeted amounts. Equipment and structure maintenance was approximately $1 million under budget, primarily due to fuel costs being below conservative budget projections. Economic development incentive payments were $1.08 million below budget as some companies did not meet the terms of the various incentive agreements to receive the maximum benefit. Other economic development activities came in $1.83 million below budget. Utility costs were $430,000 below budget. Approximately $399,000 of $524,000 in contingency funds remained unspent at the end of the year. Other operating and capital savings accounted for the remaining savings, as expenditure budgets are prudently over-estimated. Transfers to other funds were below budget at $209,081 primarily due to payments into the TIF funds being below budget projections.

During FY 2015-16, budgetary policy remained conservative and departments were asked to continue to identify cost saving measures. During the city manager's budget review process, over $1 million in operational cuts were identified. A focus during the year and for future budget planning has been to allocate revenue increases to increase funding for equipment and infrastructure replacement. Positions that had been held vacant during the recession were filled, reclassified or eliminated. In the next budget year, $2.1 million in savings from temporary vacancies was budgeted, but no authorized positions are held vacant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016, the City had $1.2 billion invested in a broad range of capital assets including buildings, police and fire vehicles and equipment, park facilities, roads, bridges and water and sanitary sewer lines (see table 3). The total net increase (including additions and deductions) over the prior year was $23.8 million (3.4%) for governmental activities and $21.8 million (4.6%) in business type activities.

Table 3
Capital Assets at Year End
In thousands

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	$ 104,045	$ 103,064	$ 8,548	$ 7,881	$ 112,593	$ 110,945
Buildings and improvements	265,454	264,815	-	-	265,454	264,815
Equipment	128,232	123,224	-	-	128,232	123,224
Construction in progress	63,087	33,362	33,896	26,440	96,983	59,802
Infrastructure	478,101	481,102	705,555	704,994	1,183,656	1,186,096
Other	2,174	2,007	20,940	20,940	23,114	22,947
Total capital assets	1,041,093	1,007,574	768,939	760,255	1,810,032	1,767,829
Less: accumulated depreciation	324,217	314,680	277,625	290,728	601,842	605,408
Totals	$ 716,876	$ 692,894	$ 491,314	$ 469,527	$ 1,208,190	$ 1,162,421

This year's major additions include (in millions):

Macarthur Boulevard Utility And Paving Reconstruction	$ 5.5
Altman, Cochran & McClure Water And Wastewater Improvements	3.6
West Irving Creek Waster And Wastewater Improvements	2.8
Lone Star Trail - Campion Trails Connection	2.5
Pioneer, Sunnybrook & Jody Water And Wastewater Improvements	2.0
Hunter Ferrell Landfill Building	1.9

See Notes (1) (h) and (5) for more detailed information regarding capital asset activity.

Debt

At year-end, the City had $679 million in outstanding debt, an increase of $5 million compared to $674 million last year, as shown in Table 4 below.

Table 4
Outstanding Debt, at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General obligation bonds - (backed by the City)	$ 214	$ 210	$ -	$ -	$ 214	$ 210
Revenue bonds - (backed by specific tax and fee revenues)	251	254	175	176	426	430
Net premium	11	6	9	7	20	13
Note payable	-	-	-	-	-	-
Lease payable	-	-	-	-	-	-
Other obligations	2	4	-	-	2	4
Water supply obligation	-	-	17	17	17	17
Totals	$ 478	$ 474	$ 201	$ 200	$ 679	$ 674

The City's general obligation debt continues to be rated Aaa by Moody's Investor Services and AAA by Standard and Poor's. The outstanding debt reported in governmental activities increased by $4 million during the fiscal year due to new debt issuance exceeding principal payments and debt refundings. The City issued $43.2 million in General Obligation Refunding and Improvement bonds for various capital projects and to refund previously issued bonds and $30.3 million in Waterworks & Sewer New Lien Revenue Refunding and Improvement bonds for certain improvements and extensions to the City's Waterworks and Sewer System and to refund a portion of the outstanding debt. Net Premiums in governmental activities increased by $5 million due to $6.2 million received from new debt issuance which were partially offset by current year amortizations. Revenue bonds in governmental activities decreased by $3 million due to principal payments made during the fiscal year. Other obligations of $2 million in governmental activities comprised of contractual obligations NCTCOG ($1 million) and $1 million to the State Comptroller of Texas for sales taxes previously allocated to the City, but determined through taxpayer audits, to be due back to the taxpayer or to another city. The sales tax overpayment obligation was offset against sales tax revenues in the governmental activities statement of activities.

The outstanding debt reported in the business type activities increased by $1 million during the fiscal year due to new debt issuances exceeding principal payments and debt refundings.

Debt information is included in sections (1) (k) and (7) of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for FY 2016-17 are budgeted at $223 million, which is $6.8 million higher than the adopted FY 2015-16 level. FY 2016-17 includes increased property tax due to an increase in valuation of $1.8 billion while maintaining the tax rate of $0.5941. Sales tax revenue is projected to remain flat compared to the prior year's original budget of $66.9 million. Other revenues were budgeted based on trend analysis and a five year financial forecast with conservative growth projections to reflect the impact of increasing economic activity and new residential development upon the revenue streams of the General Fund. Reductions in revenue from fines and transfers from other funds have partially offset projected increases in property taxes and other fees.

The certified tax roll as of January 1, 2016 (affecting the 2016-17 fiscal year) is up $1.8 billion from the prior year. This increase is due mainly to increases in commercial real property assessments of $960 million or 9.6 percent and residential property increases of $593.6 million or 10.4 percent. Business personal property values also increased by $260 million or 4.7 percent. New construction in the amount of $441 million was added to the tax roll for 2016. The tax rate was maintained at a rate of $0.5941 per $100 valuation. This amount will generate approximately $8.1 million more ad valorem tax revenues for the General Fund than in FY 2015-16.

Sales tax revenues had shown steady, robust growth since the end of the recession, but the rate of growth has begun to decline. Sales tax revenues for FY 2015-16 increased by 2.5 percent or just over $1.6 million compared to FY 2014-15 actuals at $63.9 million. Projections were based on current year trends and estimates provided by an outside consultant.

For FY 2016-17 total franchise fees have been projected to increase slightly to $21.2 million. A steadily improving local economy, including new commercial and residential development, is translating to modest increases in franchise fee revenues, which account for 9 percent of the General Fund budget.

Interest income has declined from a peak of $2.4 million in 2007 as interest rates on short term investments have dropped to historic lows due to the recession and remained at under 1% due to Federal Reserve policy. Interest income for FY 2016-17 is budgeted at $200,000. Recently announced changes in Federal Reserve policy should result in higher interest rates over the next few years. However, the timing and degree of these changes are uncertain, so no assumptions were made to increase the budget above the prior year projected revenue. Partially offsetting the decline in interest income are the favorable interest rates the City has been receiving on new and refinanced debt issuances. The City's AAA credit rating is advantageous as investors seek quality investments, allowing the city to finance projects at the lowest possible interest cost.

Although other areas of the state have been impacted by a sustained decline in energy prices, Irving continues to benefit from a growing economy in the North Central Texas region. New commercial and residential construction continues to grow the tax base and increase economic activity in the city, while presenting challenges to provide municipal services to a larger customer base. Property values have increased by over $6.45 billion in the past five years to $22.98 billion partly due to new construction. Based on economic indicators and the city's long-term financial forecast, budget staff projects gradual but continued growth in most revenue categories. These revenue increases are projected to fund service expansions and partially offset projected increases in salaries, benefits, operations, and economic development incentives.

City management worked with City Council to develop a fifteen year long-range financial plan that will give policy guidance and identify funding sources for future costs, including planned service enhancements. When enacted, this plan will provide a framework for discussions of city policy that will guide the development of the budget for the next several years. Revenues and expenditures are reviewed monthly and the overall economic condition of the city is balanced against departmental and resident requests in an effort to maintain existing levels of service and increase customer satisfaction while maintaining a structurally balanced budget. The plan was presented to City Council in FY 2016.

General Fund expenditures budgeted for FY 2016-17 are $223 million, reflecting a 3.1 percent increase from the FY 2015-16 adopted budget. The total budget includes full-year funding of 42 fire personnel at an additional cost of $2.3 million to staff engine, ladder, and medic companies at Fire Station #12, which will be completed during the FY 2016-17 budget year. Eight new police officer positions were also added for a new patrol beat at a cost of $665,300. The largest portion of General Fund expenditures are salaries and benefits at 69 percent of budget. The budget for FY 2016-17 includes full year funding for salary adjustments adopted during FY 2015-16 as well as partial-year funding for a 1.5% cost of living adjustment for general government employees and a market-based salary adjustment for Police and Fire civil service employees that will be implemented in the second quarter of the fiscal year. Operating expenses increased as eight new positions were added in addition to the police and fire positions noted above. Merit and step plan costs for FY 2016-17 were projected at $450,000. Other staffing changes had a net cost of $197,700 and included the transfer of three positions to the General Fund from the MDU fund. Health insurance costs decreased by $1.55 million due to plan design changes and employees shifting to less expensive health insurance plans. The General Fund cost of employee pension plans increased by $1.12 million with rates in total meeting the city's charter cap on pension funding of 16.75 percent of salaries. Additional non-salary operating increases include: increased payments to the TIF districts ($1.7 million), increased equipment replacement funding ($692,300), and an allocation to fund additional street repair and replacement projects ($1.1 million), while property and casualty insurance, fuel, and equipment maintenance expenses were reduced.

In the FY 2016-17 budget, rate increases of 7% were adopted for water and wastewater service. The adopted budget of approximately $95.7 million is projected to provide funding for all operating and capital expenditures while maintaining sufficient coverage to meet debt service covenants. However, the Trinity River Authority (TRA) has implemented fee increases in the past four years in order to finance their own capital program. It is almost certain that additional TRA rate increases will result in the city increasing rates for next three fiscal years 2018, 2019 and 2020 in order to recover these pass-through cost increases and maintain financial stability.

The Solid Waste Services Fund is also an enterprise fund of the city, responsible for all operating costs associated with residential refuse collection and operation of the city's municipal landfill. The growth of the city is straining the capacity of current solid waste operations. The current route sizes exceed industry standards for manual, bagged collection routes. Solid Waste Services continues to face several challenges, including hiring and retaining workers; risk management, health and safety issues; equipment replacement needs; and landfill development needs. City staff evaluated the current business model and presented options and sought feedback from the Transportation and Natural Resources committee as well as from the public. Based on public input and direction of the City Council, the FY 2016-17 budget maintains the current service delivery model, with increases for new routes and equipment replacement. This required a

rate increase of 19 percent, which was adopted. The total budget for the Solid Waste Services Fund for FY 2016-17 is $14.5 million.

The Municipal Drainage Utility (MDU) is the city's third enterprise fund. Rates for the MDU were unchanged and the FY 2016-17 budget of $5.25 million is comparable to the previous year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department at City of Irving, 825 W. Irving Blvd. Irving, TX 75060 or at 972-721-2401.

City of Irving, Texas
Statement of Net Position
September 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 161,440,148	$ 32,425,426	$ 193,865,574
Investments	109,275,573	41,256,042	150,531,615
Receivables (net of allowance for doubtful accounts)	28,083,370	15,037,899	43,121,269
Due from other governments	1,181,591	-	1,181,591
Inventories	122,184	815,628	937,812
Real estate held for resale	56,213	-	56,213
Prepaids	115,627	10,504	126,131
Restricted assets:			
Cash and cash equivalents	-	20,541,551	20,541,551
Investments	-	15,199,113	15,199,113
Accrued interest receivable	-	24,748	24,748
Capital assets:			
Non-depreciable	169,306,217	42,444,529	211,750,746
Depreciable (net)	547,570,206	448,869,782	996,439,988
Total assets	1,017,151,129	616,625,222	1,633,776,351
Deferred outflows of resources			
Deferred charge on refundings	2,713,855	2,691,318	5,405,173
City contributions made after measurement date	13,792,845	1,795,967	15,588,812
Difference in projected and actual earnings of pension plan investments	54,667,300	5,838,361	60,505,661
Difference in assumptions	13,442,327	1,939,590	15,381,917
Difference in expected and actual experience	70,746	11,517	82,263
Total deferred outflow of resources	84,687,073	12,276,753	96,963,826
Liabilities:			
Accounts payable	11,189,255	8,700,394	19,889,649
Accrued wages & benefits	5,586,114	849,017	6,435,131
Accrued interest payable	1,972,937	1,357,391	3,330,328
Customer deposits	-	8,437,086	8,437,086
Unearned revenue	4,378,445	-	4,378,445
Retainage payable	369,696	619,306	989,002
Sundry payables	1,407,957	-	1,407,957
Non-current liabilites:			
Due within one year:			
Compensated absences	1,565,169	52,081	1,617,250
Lease payable	598,928	-	598,928
Bonds payable (includes bond premium)	23,935,009	16,949,100	40,884,109
Water supply obligations	-	344,068	344,068
Other obligations	1,080,000	-	1,080,000
Liability for unpaid claims	6,120,138	-	6,120,138
Due in more than one year:			
OPEB liability	8,848,334	1,052,193	9,900,527
Net pension liability	160,549,292	14,826,850	175,376,142
Compensated absences	29,428,274	979,229	30,407,503
Lease payable	1,630,233	-	1,630,233
Landfill closure postclosure liability	-	5,142,366	5,142,366
Bonds payable (includes bond premium)	452,354,327	167,418,899	619,773,226
Water supply obligations	-	16,558,373	16,558,373
Other obligations	1,269,150	-	1,269,150
Liability for unpaid claims	3,278,065	-	3,278,065
Total liabilities	715,561,323	243,286,353	958,847,676
Deferred inflow of resources			
Difference in expected and actual experience	3,059,181	436,953	3,496,134
Net position:			
Net investment in capital assets	306,679,375	312,095,523	618,774,898
Restricted for:			
Capital projects	422,561	-	422,561
Debt service	32,496,332	11,331,742	43,828,074
Community development projects	69,391,647	-	69,391,647
Other special purposes	4,707,717	-	4,707,717
Unrestricted	(30,479,934)	61,751,404	31,271,470
Total net position	$ 383,217,698	$ 385,178,669	$ 768,396,367

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Activities
Year Ended September 30, 2016

Function/Program Activities	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions
Primary Government:				
Governmental activities:				
General government	$ 42,468,446	$ 5,273,818	$ 273,589	$ -
Police	61,715,225	5,822,457	675,898	-
Fire	47,935,291	4,683,490	-	-
Animal services	1,693,094	169,608	-	-
Parks and recreation	19,287,821	1,954,247	-	-
Municipal court	2,996,228	4,953,491	-	-
Library	8,084,834	326,049	68,845	-
Community development	35,216,985	2,657,162	12,741,143	-
Public works	30,045,100	754,581	-	5,927,996
Interest on long-term debt	20,280,714	-	-	-
Total governmental activites	269,723,738	26,594,903	13,759,475	5,927,996
Business-type activities:				
Water and sanitary sewer	83,728,261	92,380,186	-	3,485,433
Solid waste	12,230,320	13,148,755	-	1,328,974
Municipal drainage	5,775,037	5,234,010	-	1,576,209
Total business-type activities	101,733,618	110,762,951	-	6,390,616
Total primary government	$ 371,457,356	$ 137,357,854	$ 13,759,475	$ 12,318,612

General revenues:
Taxes:
Property taxes
Sales taxes
Franchise fees
Hotel / motel occupancy taxes
Investment income
Miscellaneous
Gain on sale of assets
Transfers
Total general revenues and transfers
Change in net position
Net position, beg of year
Net position, end of year

(continued)

See accompanying notes to basic financial statements

Net (Expense) revenue and changes in net postion		
Governmental Activities	Business-type Actvities	Total
$ (36,921,039)	$	$ (36,921,039)
(55,216,870)		(55,216,870)
(43,251,801)		(43,251,801)
(1,523,486)		(1,523,486)
(17,333,574)		(17,333,574)
1,957,263		1,957,263
(7,689,940)		(7,689,940)
(19,818,680)		(19,818,680)
(23,362,523)		(23,362,523)
(20,280,714)		(20,280,714)
(223,441,364)		(223,441,364)
-	12,137,358	12,137,358
-	2,247,409	2,247,409
-	1,035,182	1,035,182
-	15,419,949	15,419,949
$ (223,441,364)	$ 15,419,949	$ (208,021,415)
124,477,917	-	124,477,917
65,246,837	-	65,246,837
20,109,827	-	20,109,827
25,764,398	-	25,764,398
917,498	374,834	1,292,332
1,005,308	-	1,005,308
211,233	-	211,233
565,795	(565,795)	-
238,298,813	(190,961)	238,107,852
14,857,449	15,228,988	30,086,437
368,360,249	369,949,681	738,309,930
$ 383,217,698	$ 385,178,669	$ 768,396,367

(concluded)

City of Irving, Texas
Balance Sheet
Governmental Funds
September 30, 2016

	General	Debt service	Nonmajor governmental funds	Total governmental funds
Assets:				
Cash and cash equivalents	$ 8,839,619	$ 17,825,791	$ 119,699,256	$ 146,364,666
Investments	44,844,882	16,210,438	25,787,513	86,842,833
Receivables (net of allowance for doubtful accounts):				
Taxes	12,978,324	449,522	6,344,026	19,771,872
Franchise fees	5,063,593	-	102,473	5,166,066
Accrued interest	80,524	39,604	52,507	172,635
Accounts receivable	1,726,753	-	1,206,835	2,933,588
Due from other funds	1,109,828	-	4,891	1,114,719
Due from other governments	-	-	1,181,591	1,181,591
Real estate held for resale	-	-	56,213	56,213
Prepaids	61,265	-	54,362	115,627
Total Assets	$ 74,704,788	$ 34,525,355	$ 154,489,667	$ 263,719,810
Liabilities:				
Accounts payable	3,770,612	-	6,828,345	10,598,957
Accrued wages and benefits	5,195,151	-	319,640	5,514,791
Due to other funds	4,119	-	1,110,600	1,114,719
Retainage payable	-	-	369,696	369,696
Sundry payables	969,926	-	438,031	1,407,957
Unearned revenue	1,634,333	-	2,744,112	4,378,445
Total liabilities	11,574,141	-	11,810,424	23,384,565
Deferred inflows of resources				
Unavailable revenue	1,966,840	430,093	-	2,396,933
Total deferred inflows of resources	1,966,840	430,093	-	2,396,933
Fund Balances:				
Non-spendable:				
Prepaids	61,265	-	54,362	115,627
Restricted for:				
Retirement of general obligation bonds	-	8,262,713	-	8,262,713
Retirement of special revenue bonds	-	23,313,306	-	23,313,306
Retirement of revenue bonds	-	2,519,243	-	2,519,243
Police	-	-	1,313,156	1,313,156
Parks and recreation	-	-	2,833,544	2,833,544
Community development	-	-	88,872,183	88,872,183
Public works	-	-	36,049,432	36,049,432
Other purposes	-	-	9,469,877	9,469,877
Assigned to:				
Parks and recreation	936,056	-	1,863,765	2,799,821
Community development	4,081,120	-	-	4,081,120
Public works	-	-	2,628,387	2,628,387
Other capital projects	-	-	286,733	286,733
Other purposes	1,163,636	-	-	1,163,636
Unassigned	54,921,730	-	(692,196)	54,229,534
Total fund balances	61,163,807	34,095,262	142,679,243	237,938,312
Total liabilities, deferred inflows and fund balances	$ 74,704,788	$ 34,525,355	$ 154,489,667	$ 263,719,810

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Postion
September 30, 2016

Total fund balances--governmental funds		$ 237,938,312
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Equipment	$ 68,717,993	
Land	104,045,281	
Buildings and improvements	265,305,951	
Other capital assets	2,173,975	
Infrastructure assets	477,085,061	
Construction in progress	59,605,652	
Accumulated depreciation	(279,914,311)	
Total capital assets		697,019,602
Some revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues are recognized when earned.		2,396,933
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		44,276,773
Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	$ 465,675,000	
Bond premium	10,614,336	
Deferred charge in refunding	(2,713,855)	
Accrued interest on bonds	1,972,937	
Payable to State Comptroller	1,373,112	
Payable to NCTCOG	976,038	
Compensated absences	30,993,443	
OPEB Liability	8,558,955	
Total long-term liabilities		(517,449,966)
Net pension liability and deferred inflows and outflows of resources of pensions plans determined as of measurement date.		(80,963,956)
Net position of governmental activities.		$ 383,217,698

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2016

	General	Debt service	Nonmajor governmental funds	Total governmental funds
Revenues:				
Taxes	$ 182,404,618	$ 26,998,055	$ 26,174,039	$ 235,576,712
Fees, licenses, permits and inspections	9,961,606	-	-	9,961,606
Fines, forfeitures, and penalties	5,120,184	-	2,545,502	7,665,686
Charges for services	598,001	-	598,539	1,196,540
Intergovernmental and intragovernmental	7,410,716	-	14,891,996	22,302,712
Investment income	316,642	137,111	366,544	820,297
Miscellaneous	8,734,558	-	2,441,112	11,175,670
Total revenues	214,546,325	27,135,166	47,017,732	288,699,223
Expenditures:				
Current:				
General government	43,145,982	-	4,236	43,150,218
Police	57,237,619	-	1,288,024	58,525,643
Fire	41,664,780	-	4,702	41,669,482
Animal services	1,675,234	-	8,932	1,684,166
Parks and recreation	15,824,386	-	220,733	16,045,119
Municipal court	2,780,399	-	65,195	2,845,594
Library	6,896,148	-	218,504	7,114,652
Community development	17,844,416	-	18,131,246	35,975,662
Public works	17,400,200	-	1,699,118	19,099,318
Debt service:				
Principal	-	20,400,000	-	20,400,000
Interest and other charges	-	20,964,736	649,031	21,613,767
Contract payments	-	161,832	-	161,832
Capital outlay	-	-	42,420,118	42,420,118
Total expenditures	204,469,164	41,526,568	64,709,839	310,705,571
Excess (deficiency) of revenues under expenditures	10,077,161	(14,391,402)	(17,692,107)	(22,006,348)
Other financing sources (uses):				
Issuance of general obligation and certificate of obligation bonds	-	-	24,830,000	24,830,000
Premium on bonds issued	-	2,961,784	3,486,837	6,448,621
Payments to refund escrow	-	(21,162,601)	-	(21,162,601)
Refunding bonds issued	-	18,365,000	-	18,365,000
Transfers in	2,066,947	14,577,623	9,588,587	26,233,157
Transfers out	(11,554,271)	-	(14,113,091)	(25,667,362)
Total other financing sources (uses)	(9,487,324)	14,741,806	23,792,333	29,046,815
Net change in fund balances	589,837	350,404	6,100,226	7,040,467
Fund balances, beginning of year	60,573,970	33,744,858	136,579,017	230,897,845
Fund balances, end of year	$ 61,163,807	$ 34,095,262	$ 142,679,243	$ 237,938,312

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended September 30, 2016

Net change in fund balances--total governmental funds			$ 7,040,467
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other miscellaneous activity involving capital assets (ie, disposals) in the current period.			
Capital outlay expenditures	$ 39,710,186		
Depreciation expense	(21,577,403)		
Net adjustment			18,132,783
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.			(966,152)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the receipt of capital assets from developers.			3,654,603
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the the treatment of long-term debt and related items.			
Debt issued:			
GO bonds, certificates of obligation, revenue bonds and note payable		$ 43,195,000	
Bond premium		6,448,621	
Bond premium amortization		(1,441,739)	
Deferred charge on refunding amortization		423,768	
Total debt issued		48,625,650	
Repayments:			
To bondholders/debtors	(20,400,000)		
Payment to Escrow agent:			
Principal	(20,825,000)		
Refunding loss deferred	(337,601)	(21,162,601)	
Total repayments		(41,562,601)	
Net adjustment			(7,063,049)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Increase in sales tax overpayment to State Comptroller for sales taxes		$ 270,000	
Increase in the amount of compensated absences		84,102	
Decrease in the amount for DART		(1,400,266)	
Decrease in the amount for Texas Department of Transportation		(1,067,200)	
Increase in the amount of OPEB liability		1,058,480	
Decrease in accrued interest on general obligation bonds		(319,147)	
Total adjustment			1,374,031
To record net change in pension activity			(15,259,526)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds.			
Change in net position of the internal service funds			7,944,292
Change in net position of governmental activities			$ 14,857,449

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Net Position
Proprietary Funds
September 30, 2016

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Assets:					
Current assets:					
Current assets - unrestricted:					
Cash and cash equivalents	$ 25,903,827	$ 2,786,598	$ 3,735,001	$ 32,425,426	$ 15,075,482
Investments	41,256,042	-	-	41,256,042	22,432,740
Accounts receivable, net	13,674,228	1,036,325	279,983	14,990,536	-
Accrued interest	46,127	585	651	47,363	39,209
Inventories, at cost	815,628	-	-	815,628	122,184
Prepaid expenses	10,504	-	-	10,504	-
Total current assets - unrestricted	81,706,356	3,823,508	4,015,635	89,545,499	37,669,615
Current assets - restricted:					
Cash and cash equivalents	19,653,604	-	737,133	20,390,737	-
Investments	7,284,618	-	315,309	7,599,927	-
Accrued interest receivable	9,006	-	957	9,963	-
Total current assets - restricted	26,947,228	-	1,053,399	28,000,627	-
Total current assets	108,653,584	3,823,508	5,069,034	117,546,126	37,669,615
Noncurrent assets:					
Cash and cash equivalents, bond reserve	150,814	-	-	150,814	-
Investments, bond reserve	7,278,262	-	320,924	7,599,186	-
Accrued interest receivable, bond reserve	14,785	-	-	14,785	-
Capital assets:					
Equipment	-	-	-	-	60,529,726
Land	7,456,451	1,007,261	84,697	8,548,409	-
Water rights	20,939,506	-	-	20,939,506	-
Plant / infrastructure	639,358,015	10,527,076	55,669,864	705,554,955	147,980
Construction in progress	29,434,337	2,632,624	1,829,159	33,896,120	3,481,309
Less accumulated depreciation	(251,122,582)	(4,830,322)	(21,671,775)	(277,624,679)	(44,302,194)
Total capital assets, net	446,065,727	9,336,639	35,911,945	491,314,311	19,856,821
Total noncurrent assets	453,509,588	9,336,639	36,232,869	499,079,096	19,856,821
Total assets	562,163,172	13,160,147	41,301,903	616,625,222	57,526,436
Deferred outflow of resouces					
Deferred charge on refunding	2,691,318	-	-	2,691,318	-
City contributions made after measurement date	1,081,586	480,705	233,676	1,795,967	233,676
Difference in projected and actual earnings of pension plan investments	3,711,109	1,649,382	477,870	5,838,361	477,870
Difference in assumptions	1,246,880	554,168	138,542	1,939,590	138,542
Difference in expected and actual experience	7,404	3,291	822	11,517	822
Total deferred outflow of resources	8,738,297	2,687,546	850,910	12,276,753	850,910
Liabilities:					
Current liabilities:					
Current liabilities - unrestricted funds					
Accounts payable	6,538,390	169,652	49,892	6,757,934	590,298
Accrued wages and benefits	503,795	234,556	110,666	849,017	71,323
Lease payable	-	-	-	-	598,928
Retainage payable	67,985	-	2,929	70,914	-
Deposits	8,437,086	-	-	8,437,086	-
Compensated absences payable	27,923	15,965	8,193	52,081	-
Estimated liability for unpaid claims	-	-	-	-	6,120,138
Total current liabilities - unrestricted funds	15,575,179	420,173	171,680	16,167,032	7,380,687
Current liabilities payable from restricted assets:					
Accounts payable	1,897,063	-	45,397	1,942,460	-
Retainage payable	548,392	-	-	548,392	-
Water supply obligations	344,068	-	-	344,068	-
Revenue bonds (net of bond premium)	16,750,979	-	198,121	16,949,100	-
Accrued interest payable	1,338,237	-	19,154	1,357,391	-
Total current liabilities payable from restricted assets	20,878,739	-	262,672	21,141,411	-
Total current liabilities	36,453,918	420,173	434,352	37,308,443	7,380,687
Noncurrent liabilities, net of current portion:					
Compensated absences payable	525,006	300,176	154,047	979,229	-
OPEB payable	485,310	566,883	-	1,052,193	289,379
Net pension liability	9,248,254	4,110,335	1,468,261	14,826,850	1,468,261
Lease payable	-	-	-	-	1,630,233
Revenue bonds (net of bond premium)	163,610,790	-	3,808,109	167,418,899	-
Water supply obligations	16,558,373	-	-	16,558,373	-
Landfill closure and post closure payable	-	5,142,366	-	5,142,366	-
Estimated liability for unpaid claims	-	-	-	-	3,278,065
Total noncurrent liabilities	190,427,733	10,119,760	5,430,417	205,977,910	6,665,938
Total liabilities	226,881,651	10,539,933	5,864,769	243,286,353	14,046,625
Deferred inflows of resouces					
Difference in expected and actual experience	265,157	117,848	53,948	436,953	53,948
Net position:					
Net investment in capital assets	270,198,878	9,336,639	32,560,006	312,095,523	19,856,821
Restricted for debt service	10,644,018	-	687,724	11,331,742	-
Unrestricted	62,911,765	(4,146,727)	2,986,366	61,751,404	24,419,952
Total net position	$ 343,754,661	$ 5,189,912	$ 36,234,096	$ 385,178,669	$ 44,276,773

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2016

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Operating revenues:					
Charges for services	$ 92,380,186	$ 13,092,175	$ 5,234,010	$ 110,706,371	$ 48,579,928
Miscellaneous	-	56,580	-	56,580	728,534
Total operating revenues	92,380,186	13,148,755	5,234,010	110,762,951	49,308,462
Operating expenses:					
Water purchases	11,699,744	-	-	11,699,744	-
Sewer treatment costs	22,124,569	-	-	22,124,569	-
Personnel services	12,950,077	6,320,651	2,783,433	22,054,161	1,690,147
Supplies	1,963,383	92,636	69,524	2,125,543	5,098,336
Maintenance	2,199,005	2,871,944	1,186,104	6,257,053	123,908
Light and power	1,784,222	-	-	1,784,222	-
Depreciation	15,230,320	498,931	1,255,197	16,984,448	4,243,563
Sundry charges	352,380	-	1,240	353,620	-
Administrative charges	6,049,016	1,250,000	11,700	7,310,716	-
Claims	-	-	-	-	26,306,055
Insurance premiums	-	-	-	-	2,228,614
Other	3,378,480	1,196,158	309,803	4,884,441	1,977,916
Total operating expenses	77,731,196	12,230,320	5,617,001	95,578,517	41,668,539
Operating income	14,648,990	918,435	(382,991)	15,184,434	7,639,923
Nonoperating revenues (expenses):					
Investment income	361,083	5,321	8,430	374,834	97,201
Interest expense and fiscal charges	(5,999,565)	-	(158,036)	(6,157,601)	(4,065)
Gain on sale of capital assets	2,500	-	-	2,500	211,233
Total nonoperating revenue (expense)	(5,635,982)	5,321	(149,606)	(5,780,267)	304,369
Income (loss) before contributions	9,013,008	923,756	(532,597)	9,404,167	7,944,292
Capital contributions	3,485,433	1,328,974	1,576,209	6,390,616	-
Transfers out	-	(565,795)	-	(565,795)	-
Change in net position	12,498,441	1,686,935	1,043,612	15,228,988	7,944,292
Net position, beginning of year	331,256,220	3,502,977	35,190,484	369,949,681	36,332,481
Net position, end of year	$ 343,754,661	$ 5,189,912	$ 36,234,096	$ 385,178,669	$ 44,276,773

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2016

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Cash flows from operating activities:					
Receipts from customers	$ 92,986,664	$ 13,129,384	$ 5,263,720	$ 111,379,768	$ 49,077,994
Payments to suppliers for goods, services and claims	(44,113,653)	(5,275,063)	(2,024,012)	(51,412,728)	(35,848,560)
Payments to employees	(12,263,411)	(5,960,354)	(2,765,772)	(20,989,537)	(1,576,250)
Other receipts	-	56,580	-	56,580	248,663
Other payments	-	-	-	-	(1,473,456)
Net cash provided by operating activities	36,609,600	1,950,547	473,936	39,034,083	10,428,391
Cash flows from noncapital financing activities:					
Transfer to other funds	-	(565,795)	-	(565,795)	-
Net cash used in noncapital financing activities	-	(565,795)	-	(565,795)	-
Cash flows from capital and related financing activities:					
Proceeds from sale of revenue bonds	30,265,000	-	-	30,265,000	-
Premium received on sale of bonds	3,740,656	-	-	3,740,656	-
Payment to refunded bonds escrow agent	(17,294,512)	-		(17,294,512)	-
Principal paid on lease payable	-	-	-	-	(302,814)
Proceeds from sale of capital assets	2,500	-	-	2,500	211,233
Acquisition of capital assets	(30,793,176)	(721,051)	(866,579)	(32,380,806)	(6,439,096)
Principal paid on revenue bonds	(14,320,000)	-	(195,000)	(14,515,000)	-
Principal paid on water supply rights	(333,228)	-	-	(333,228)	-
Interest paid lease payable	-	-	-	-	(4,065)
Interest paid on revenue bonds / water supply rights	(7,112,548)	-	(158,036)	(7,270,584)	-
Net cash used in capital and related financing activities	(35,845,308)	(721,051)	(1,219,615)	(37,785,974)	(4,458,204)
Cash flows from investing activities:					
Interest on investments	319,755	4,736	7,994	332,485	69,992
Purchase of investments	(106,726,170)	-	(1,893,843)	(108,620,013)	(34,404,778)
Maturities and sale of investments	92,831,385	-	3,805,093	96,636,478	29,244,802
Net cash provided by (used in) investing activities	(13,575,030)	4,736	1,919,244	(11,651,050)	(5,089,984)
Net increase (decrease) in cash and cash equivalents	(12,810,738)	668,437	1,173,565	(10,968,736)	880,203
Cash and cash equivalents, beginning of year	58,518,983	2,118,161	3,298,569	63,935,713	14,195,279
Cash and cash equivalents, end of year	45,708,245	2,786,598	4,472,134	52,966,977	15,075,482
Classifed as:					
Current assets - unrestricted	25,903,827	2,786,598	3,735,001	32,425,426	15,075,482
Current assets - restricted	19,653,604	-	737,133	20,390,737	-
Noncurrent assets - restricted	150,814	-	-	150,814	-
Total	$ 45,708,245	$ 2,786,598	$ 4,472,134	$ 52,966,977	$ 15,075,482

(continued)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2016

	Business-type Activities- enterprise funds				Governmental activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 14,648,990	$ 918,435	$ (382,991)	$ 15,184,434	$ 7,639,922
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	15,230,320	498,931	1,255,197	16,984,448	4,243,563
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Decrease in accounts receivable	298,994	37,208	29,710	365,912	18,195
(Increase) decrease in inventories	126,426	-	-	126,426	(6,038)
Decrease in prepaid assets	110,779	-	-	110,779	-
(Increase) in city contributions made after measurement date	(60,081)	(26,703)	(6,675)	(93,459)	(6,675)
(Increase) in difference in projected and actual earnings of pension plan investments	(3,121,395)	(1,387,287)	(346,823)	(4,855,505)	(346,823)
(Increase) in difference in assumptions	(1,246,880)	(554,168)	(138,542)	(1,939,590)	(138,542)
(Increase) in difference in expected and actual experience	(7,404)	(3,291)	(822)	(11,517)	(822)
(Decrease) increase in accounts payable	5,316,664	(74,914)	(438,461)	4,803,289	(2,386,574)
(Decrease) in accrued wages and benefits	(263,795)	(118,440)	(74,503)	(456,738)	(22,591)
(Decrease) in accrued liabilities	(116,723)	-	(7,180)	(123,903)	-
Increase in estimated liability for unpaid claims	-	-	-	-	805,426
Increase in OPEB payable	46,835	84,303	-	131,138	37,468
Increase in net pension liabilities	5,282,156	2,347,625	586,906	8,216,687	586,906
Increase in landfill closure and post closure	-	210,590	-	210,590	-
(Decrease) increase in compensated absences	12,447	(1,646)	(6,856)	3,945	-
Increase in deposits	307,484	-	-	307,484	-
Increase in expected and actual experience	44,783	19,904	4,976	69,663	4,976
Total adjustments	21,960,610	1,032,112	856,927	23,849,649	2,788,469
Net cash provided by operating activities	$ 36,609,600	$ 1,950,547	$ 473,936	$ 39,034,083	$ 10,428,391
Noncash financing, capital, and investing activities:					
Capitalized Interest	$ 659,806	$ -	$ -	$ 659,806	$ -
Contributions of capital assets	3,485,433	1,328,974	1,576,209	6,390,616	-
Total noncash activities	$ 4,145,239	$ 1,328,974	$ 1,576,209	$ 7,050,422	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2016

	Pension trust funds	Agency fund Cash bond
Assets		
Cash and cash equivalents	$ 2,000,682	$ 48,950
Interest receivable on investments	23	-
Investments, at fair value		
U.S. government securities	2,955,515	-
Common stock	19,071,472	-
Preferred stock	2,384,077	-
Alternative investment/hedge funds	16,729,728	-
Mutual funds	4,583,709	-
Corporate bonds	4,936,283	-
Municipal obligation	312,275	-
Total assets	52,973,764	48,950
Liabilities		
Sundry payables	-	48,950
Total liabilities	-	48,950
Net position		
Net position restricted for pensions	$ 52,973,764	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2016

		Pension trust funds
Additions:		
Employee contributions	$	2,550,702
Employer contributions		1,938,396
Investment income		
Net increase in fair value of investments		1,895,804
Interest income		842,644
Total investment income		2,738,448
Less investment expense		(306,174)
Net investment income		2,432,274
Total additions		6,921,372
Deductions:		
Benefits and refunds paid		3,247,015
Administrative costs		167,043
Total deductions		3,414,058
Change in net position		3,507,314
Net position, beginning of year		49,466,450
Net position, end of year	$	52,973,764

See accompanying notes to basic financial statements

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2016

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(1) Summary of Significant Accounting Policies

The City of Irving, Texas (the City), was incorporated in 1914 under Article XI of the Constitution of the State of Texas (Home-Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

(a) Reporting Entity

The City is a municipality governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City based upon the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* Generally, GASB Statements No. 14 and GASB Statement No. 61 require entities upon which the City is able to impose its will, or that are fiscally dependent upon the City, to be included in the City's financial reporting entity. Additionally, those entities that the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading, should also be included in the City's reporting entity.

Blended Component Units – Those entities that meet the above-established criteria for inclusion, as well as either of the following criteria: (1) provide services entirely or almost entirely for the City, or (2) whose board is substantively the same as the City's Council, and (a) the primary government and the component unit have a financial benefit or burden relationship or (b) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit are required to be included as part of the primary government's financial statements through "blended" presentation. The entities that meet the above-established criteria for inclusion as a blended component unit are:

City of Irving Supplemental Benefit Plan (SBP) – The board consists of nine members of which five are elected by employees and four are appointed by Council resolution. The Irving City Council adopts the budget for SBP and sets the employee and employer contribution rates based upon actuarial valuations. The Irving City Council is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The SBP is a fiduciary fund and does not have separately issued financial statements.

City of Irving Voluntary Employee Beneficiary Association (VEBA) – The Irving City Council adopts the budget for the VEBA and sets the employee and employer contribution rates. The Irving City Council is authorized to establish benefit levels and approve assumptions

used in the determination of contribution levels. VEBA is a fiduciary fund and does not have separately issued financial statements.

Irving Housing Finance Corporation (IHFC) – The IHFC was incorporated in November 2006 for the purpose of benefiting and accomplishing public purposes of, and on behalf of, the City. The IHFC board is comprised of the City Council members, with the Mayor acting as President. All IHFC transactions are reviewed by the Executive Director of the Housing and Human Services Department and the IHFC Treasurer (City's Chief Financial Officer) who are employees of the City. IHFC is "blended" in the City's financial statements, as a special revenue fund, and does not have separately issued financial statements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund applies the accrual basis of accounting but has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and sales tax overpayments are recorded only when the liability has matured.

Property taxes, sales taxes, hotel/motel taxes, gross receipts taxes, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives the cash.

Funds

Governmental funds are those through which most governmental functions typically are financed. The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments from 2017 through 2053. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds.

Proprietary funds are used for services for which the City charges customers whether to outside customers or other units of the City. The City reports the following major proprietary funds:

Water and Sanitary Sewer Fund – The Water and Sanitary Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, financing and related debt service, and billing and collections.

Solid Waste Fund - The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, and financing and related debt service.

Municipal Drainage – The Municipal Drainage Utility Fund accounts for fees assessed to property owners for improvements to the storm water drainage system and to provide for treatment facilities as required by federal legislation.

Additionally, the City reports the following funds:

Internal service funds account for garage and equipment replacement, the City's self-insurance programs and computer replacement provided to other departments of the City, on a cost reimbursement basis. These funds primarily support governmental activities.

The pension trust funds account for the activities of the Supplemental Benefit Plan and the Voluntary Employee Beneficiary Association, which accumulate resources for pension-related benefits to qualified City employees and an agency fund to account for cash bond funds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program* revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Except in certain instances, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

For pension trust funds, contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Non-current governmental assets and liabilities not reported at the fund level are included in the Governmental activities column in the government-wide Statement of Net Position.

(c) Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury including its agencies and instrumentalities, municipal bonds, and investment pools consisting of U.S. Treasury obligations, repurchase agreements, commercial paper, and mutual funds.

The City's policy is to record investments with maturities of one year or less at the time of purchase at amortized cost. All other investments are recorded at fair value. It is the City's (exclusive of the SBP Fund) practice to hold all investments to maturity.

Trustees for the SBP are authorized to invest in fixed income, U.S. equities, non-U.S. equities, real estate, and alternative investments.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investment pools to be cash equivalents.

(e) Inventories

Inventories are recorded as expenditures in governmental funds at the time of purchase and accordingly, have not been reported on the governmental funds Balance Sheet. Inventories for the proprietary funds consist of fuel and parts, and are recorded at cost using the first in/first out method.

(f) Inter-fund Transactions

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from" or "due to" other funds, as they are expected to be repaid within one year. Internal amounts due between governmental and business type activities as of the end of the year are reflected within the government-wide financial statements.

Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. Reimbursement for services provided by the General Fund to the enterprise funds are recorded as revenues and expenses respectively.

Eliminations are made in the Statement of Activities to remove the doubling-up effect of internal service fund activity. The effects of similar internal events that are, in effect, allocations of overhead expenses from one function to another or are within the same function are eliminated. The effect of inter-fund services provided and used between functions is not eliminated in the Statement of Activities. Internal service fund asset and liability balances that are not eliminated in the Statement of Net Position are reported in the governmental activities column.

(g) Water Supply Rights

Water supply rights represent the City's contractual rights to utilize water at Lake Chapman for municipal and industrial use. The City began receiving water from Lake Chapman during fiscal year 2003. Water rights are being amortized on a straight-line basis over the term of the related obligation of 50 years. See notes 1(k) and 8 for additional information regarding the City's contractual obligations.

(h) Capital Assets

Capital assets are defined by the government as those tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost if original cost is not available (estimated fair value, plus any ancillary charges, at time of receipt for assets contributed). Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The City of Irving's capitalization threshold for capital assets is $5,000. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations as incurred whereas improvements and betterments that extend the useful lives of capital assets are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if significant. However, interest is not capitalized in the governmental activities, as this is prohibited under Generally Accepted Accounting Principles (GAAP). For fiscal year 2016, interest costs were capitalized in the Water and Sanitary Sewer fund in the amount of $659,806.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (such as land, land improvements and art work). Capital assets that are being or have been depreciated are reported net of accumulated depreciation in the Statement of Net Position. Depreciation expense for capital assets that can be specifically identified with a function are included in that function's direct expenses whereas depreciation expense for shared capital assets are ratably included in the direct expenses of the appropriate function unless otherwise indicated as unallocated. Depreciation expense for general infrastructure assets is not allocated to the various functions but is reported as a direct expense of the function normally associated with capital outlays for, and maintenance of, infrastructure assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Estimated Useful Life
Buildings and improvements	40-50 years
Infrastructure and plant	50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	2-12 years

(i) Deferred outflows/inflows

In addition to assets, the statement of financial position may have a separate section of deferred outflow of resources. This separate section will represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refundings - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual earnings related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference in assumption changes related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual experience related to pensions – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position may have a separate section of deferred inflow of resources. This separate section will represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has this item that qualify for reporting in this category. The difference between expected and actual economic experience related to pensions, and is unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(j) Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the special revenue funds. Community Development Block Grants are the more significant grants classified as special revenue funds. Revenues are recognized when all eligibility requirements have been met and the funds are available.

(k) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Deferred losses are amortized over the life of the bonds using the straight line method. In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

General obligation bonds, which have been issued to fund capital projects of the general government, are to be repaid from the ad valorem tax revenues of the City. General obligation bond debt is recorded in the governmental activities column in the Statement of Net Position.

Special revenue bonds, which have been issued to fund a number of civic projects, are to be repaid primarily from the hotel occupancy tax revenues of the City. Special revenue bond debt is recorded in the governmental activities column in the Statement of Net Position.

Water and Sanitary Sewer revenue bonds, which have been issued to fund capital projects, are to be repaid from the net revenues of the Water and Sanitary Sewer System fund. Water and Sanitary Sewer revenue bond debt is accounted for in the Water and Sanitary Sewer fund. Likewise, Municipal Drainage Utility System revenue bonds issued for the purpose of drainage improvements are to be repaid from the net revenues of the Municipal Drainage fund.

Water supply obligations, which represent long-term contracts between the City and the U.S. government for specified rights to a water supply in return for payment of costs to construct facilities, are to be repaid from the net revenues of the Water and Sanitary Sewer fund. Water supply obligation debt is accounted for in the Water and Sanitary Sewer fund.

In the governmental funds Balance Sheet, liabilities arising from inter-fund activities and matured liabilities (other than those associated with proprietary or fiduciary funds) are reported as governmental fund liabilities. Matured liabilities include: (1) liabilities that normally are due and payable in full when incurred, and (2) the matured portion of general long-term indebtedness (the portion that has come due for payment). Debt service on formal debt issues (such as bonds and tax notes) is recognized as a governmental fund liability and expenditure when due.

(l) Compensated Absences

All regular full-time employees accrue vacation and sick leave on a bi-weekly basis. Vacation leave may only be accrued up to a maximum number of hours, based on an employee's length of service. Sick leave may be accrued up to an unlimited amount. Compensatory leave may be accrued up to a maximum amount.

Upon employee termination and completion of the six (6) month orientation period, the City pays for unused vacation and compensatory leave up to a maximum allowable accrual. General government employees are not paid for accrued sick leave; however, police officers and firefighters may be paid up to 2,500 hours if certain requirements are met.

(m) Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purpose pursuant to a formal action approved by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City Council or City management as discussed before the Audit and Finance Committee of the City Council and approved by the City Manager and Chief Financial Officer in accordance with the City's financial policies.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available. Net position restricted for revenue bond retirement in the Proprietary Funds is a reserve required by revenue bond covenants.

Summary of major purpose classifications of fund equity:

	Non Spendable	Restricted	Assgined
Prepaids	$ 115,432	$ -	$ -
Debt service		34,095,262	
Police	-	1,313,156	-
Promote tourism and convention, venue and hotel industry	-	47,555,927	-
Special Assessments	-	41,077,155	-
Housing		239,101	
Public infrastructure	-	36,049,432	2,628,387
Economic development	-	-	4,081,120
Park improvements	-	2,833,544	2,799,821
Fire facilities	-	5,000,020	-
City building improvements	-	1,495,601	-
Municipal courts	-	1,232,131	-
Communications systems	-	1,038,062	-
Encumbrances	-	-	1,163,636
Other	-	704,063	286,733
Total	$ 115,432	$ 172,633,454	$ 10,959,697

(n) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in operating funds to maintain liquidity, as well as, anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum fund balance, for operations, of 90 days of budgeted expenditures. The General Fund, Non-bond capital project fund (non major fund), Equipment Replacement and Computer Replacement fund (internal service funds) are taken into account when determining the minimum fund balance.

(o) Net Position

In the government-wide financial statements, the net position is reported in three components (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Pensions

The City has three pension plans, Firemen's Relief and Retirement Fund, Supplemental Benefit Plan and Texas Municipal Retirement System. Information about the fiduciary net position of the City's pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by each of the City's pension plans. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments in the plans are reported at fair value.

(2) Cash and Cash Equivalents and Investments

State statutes, the City's Investment Policy and the City's Depository and Investment Agreement govern the investments of the City (exclusive of the SBP). Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. The deposits and investments of the SBP are held separately from those of other City funds by an outside trustee appointed by the City.

Deposits – At September 30, 2016, the carrying amount of the City's (exclusive of SBP) deposits was $53,270,120 and the bank balance was $57,044,850 which was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Supplemental Benefit Plan deposits of $1,718,381, representing money market mutual funds, are held by a bank trust and are managed by independent investment managers for the ultimate benefit of City employees who participate. These investments are reported at fair value. At September 30, 2016, the City's cash on hand totaled $14,412.

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Investments – The City's investments held as of September 30, 2016, were as follows:

		Fair Value Measurement Using		
	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
City - Pooled investments				
Federal Home Loan Bank Disc. Notes	$ 56,234,350	$ -	$ 56,363,285	$ -
Federal Home Loan Mortgage Assoc.	54,353,408	-	54,433,185	-
Federal Farm Credit Bank Disc. Notes	9,457,544	-	9,471,893	-
Federal National Mortgage Association	35,723,723	-	35,783,593	-
Treasury Bill	9,961,699	-	9,986,210	-
Texpool Investment Pool	73,395,417	-	-	-
TexStar Investment Pool	70,496,000	-	-	-
Wells Fargo Adv. Gov. Money Market Fund	17,381,697	-	-	-
Stadium Bonds Trust Money Market Fund	180,730	-	-	-
Subtotal	327,184,568	-	166,038,166	-
Supplemental Benefit Plan (SBP)				
Federal National Mortgage Association	3,219	-	3,219	-
United States Treasury Notes	2,952,296	-	2,952,296	-
Common Stocks	19,071,472	19,071,472	-	-
Preferred Stock	2,384,077	2,384,077	-	-
Alternative Investments/Hedge Funds	16,729,728	-	-	16,729,728
Mutual Funds	4,583,709	-	4,583,709	-
Corporate Bonds	4,936,283	-	4,936,283	-
Municipal Obligations	312,275	-	312,275	-
Subtotal	50,973,059	21,455,549	12,787,782	16,729,728
Total	$ 378,157,627	$ 21,455,549	$ 178,825,948	$ 16,729,728

All of the above items with a maturity date of three months or less from date of purchase and investment pools are included in cash equivalents for financial reporting purposes.

Fair Value Measurement – The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which established three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, Investment Pools and Money Market accounts are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting.

For the SBP (Plan), Commons Stock and Preferred Stock are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities.

For the City, U.S. Government Agencies, U.S. Treasury Notes, U.S. Treasury Bills and for the SBP Plan, US Government Agencies, US Treasury Notes, Mutual Funds, Corporate Bonds and Municipal Obligations are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

For the Plan, the Alternative Investments/Hedge Funds are classified in Level 3 of the fair value hierarchy are valued using techniques of unobservable inputs that reflect assumptions market participants may use or could be expected to use in pricing an asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, and are developed based on the best information available under the circumstances. In developing unobservable inputs, market participant assumptions are used if they are reasonable available without undo cost and effort.

The Plan may record changes to valuations based on the amount that it might reasonably be expected to receive for an investment upon its current sale, consistent with the fair value measurement. Each determination is based on consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to: (i) type of investment; (ii) existence of any contractual restrictions on the investment's disposition; (iii) price and extent of public trading of similar or comparable investments; (iv) quotations or evaluated prices from broker-dealers and/or pricing services; (v) information obtained from the issue, analysts, and/or the appropriate stock exchange (for exchange-traded securities); (vi) analysis of an issuer's financial statements; (vii) evaluation of the forces that influence the issuer and the market(s) in which the investment is purchased and sold and (viii) with respect to debt securities, maturity, coupon, creditworthiness, currency denomination, and the movement of the market in which the security is normally traded. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value determined upon sale of those investments.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair

value to changes in market interest rates. One of the ways the City of Irving manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City of Irving monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio on a quarterly basis. The City's investment policy (exclusive of SBP Fund) limits the weighted average of its portfolio to 365 days for its operating funds. The policy requires that maturities in the capital project and debt service funds be sufficient to cover obligations in those funds. At September 30, 2016, the maximum weighted average maturity by investment type was 164 days. The SBP portfolio managed by Federated Investors in a Core Aggregate strategy is constrained in regards to duration to that of the benchmark index, the Barclays Capital U.S. Aggregate Index with a typical duration range that is +/- 20% of the duration of this benchmark index. A portion of the SBP fixed income is invested in Blackstone Real Estate Income Fund (BRIEF). BRIEF primarily invests in commercial mortgage backed securities, CMBS, and a broad range of liquid real estate debt instruments and is generally hedged to protect against interest rate changes.

Credit Risk – Generally, this is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. By policy, the City of Irving requires a minimum rating of AAA or its equivalent on some investments. The City's investments in U.S. Agency securities (FHLB, FAMC, FHLMC and FNMA) were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively. The investment in Texas Local Government Pools (Texpool and Texstar) carried a credit rating of AAA by Standard and Poor's as of September 30, 2016. Credit risk of the overnight money market fund is not a perceived issue as the U.S. Government Agencies consistently maintain the highest credit ratings an organization can receive.

The investment policy of the SBP requires that the fixed income account managed by any manager shall maintain a weighted average credit rating that falls within the "A" category or better, as determined by the major credit ratings agencies at all times. Fixed income securities for SBP made up 24.40% of total investments as of September 30, 2016.

Concentration of Credit Risk – The City of Irving limits investment in any investment type to a maximum of 50% of the portfolio except for investment pools which may be a maximum of only 20% of the portfolio excluding bond proceeds, per individual pool. For SBP, managers shall not invest more than 5% of the Funds' value in the issues of any one issuer, with the sole exceptions of the U.S. Government, its agencies, or instrumentalities. The strategic target for all fixed income investments shall range from 35%-100%. The SBP limits this type of risk by requiring a maximum of 25% of the market value of the entire fund in an industry, and a maximum of 5% in any one company with the sole exception of the U.S. Government, its agencies or instrumentalities.

Custodial Credit Risk – This is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires its collected deposits in excess of the federal depository insurance to be collateralized by the depository institution at the rate of 102.5% of the value of the deposits. The collateral must be in the form of an instrument authorized by the State of Texas Public Fund Investment Act held by the City's agent in the City's name.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied on October 1 on the taxable value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and are certified by the Appraisal Review Board. The taxable value for the beginning of fiscal year 2016 as provided by the Dallas County Tax Office was $21,145,852,790.

The City is permitted by Article XXI; Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of appraised valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Under the City Charter, however, a limit on taxes levied for the same governmental services has been established at $1.50 per $100 of appraised valuation. The tax rate for the year ended September 30, 2016 was $.5941 ($.4650 for general government and $.1291 for debt service) per $100 of appraised valuation. Thus, the City has a tax margin of $0.90 per $100 and could levy up to approximately $190 million in taxes per year from the present appraised valuation.

Taxes are due immediately following the October 1 levy date and are considered delinquent after the following January 31. Current tax collections for the year ended September 30, 2016 were 99.43% of the adjusted tax levy.

Delinquent property taxes of $1,397,685 and $482,734 are included in taxes receivable in the General Fund and Debt Service Fund, respectively.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this system, the City sets tax rates on City property.

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(4) Receivables

Receivables at September 30, 2016 for Governmental Activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General	Debt Service	Non-major Funds	Internal Service	Total Governmental Activities
Property taxes	$ 1,955,316	$ 637,551	$ -	$ -	$ 2,592,867
Sales taxes	11,599,677	-	-	-	11,599,677
Hotel occupancy taxes	-	-	6,344,026	-	6,344,026
Franchise fees	5,063,593	-	102,473	-	5,166,066
Municipal court receivable	14,206,434	-	-	-	14,206,434
Accrued interest	80,524	39,604	52,507	39,209	211,844
Accounts receivable	2,110,509	-	1,206,835	59,806	3,377,150
Total gross receivables	35,016,053	677,155	7,705,841	99,015	43,498,064
Less allowance for doubtful accounts					
Property Taxes	(576,669)	(188,029)	-	-	(764,698)
Municipal court receivable	(13,300,995)	-	-	-	(13,300,995)
Accounts receivable	(1,289,195)	-	-	(59,806)	(1,349,001)
Total allowance	(15,166,859)	(188,029)	-	(59,806)	(15,414,694)
Total receivables, net	$ 19,849,194	$ 489,126	$ 7,705,841	$ 39,209	$ 28,083,370

Receivables at September 30, 2016 for the City's enterprise funds net of allowance for uncollectible accounts consist of the following:

Receivables	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Business-type Activities
Accounts receivable	$ 14,483,098	$ 1,230,383	$ 364,996	$ 16,078,477
Accrued interest	46,127	585	651	47,363
Total gross receivables	14,529,225	1,230,968	365,647	16,125,840
Less allowance for doubtful accounts	(808,870)	(194,058)	(85,013)	(1,087,941)
Total receivables, net	$ 13,720,355	$ 1,036,910	$ 280,634	$ 15,037,899

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	$ 1,314,418	$ -
Municipal court receivable (general fund)	512,958	-
Accounts receivable (general fund)	139,464	-
Delinquent property taxes receivable (debt service fund)	430,093	-
TxDOT lease agreement (general fund)	-	1,634,333
City of Grand Prairie Participation Project Escrow (non-major governmental funds)	-	1,604,284
Grant drawdowns prior to meeting all eligibility requirements (non-major governmental funds)	-	1,139,828
Total unavailable/unearned for governmental funds	$ 2,396,933	$ 4,378,445

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(5) Capital Assets

Capital asset balances and activity for the year ended September 30, 2016 was as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 103,064	$ 981	$ -	$ 104,045
Works of Art	2,007	167	-	2,174
Construction in progress	33,362	35,179	5,454	63,087
Total capital assets not being depreciated	138,433	36,327	5,454	169,306
Capital assets being depreciated:				
Buildings and improvements	264,815	639	-	265,454
Equipment	123,224	7,726	2,718	128,232
Infrastructure	481,102	10,547	13,548	478,101
Total capital assets being depreciated at historical cost	869,141	18,912	16,266	871,787
Less accumulated depreciation for:				
Buildings and improvements	53,196	5,323	-	58,519
Equipment	74,106	8,157	2,709	79,554
Infrastructure	187,378	12,314	13,548	186,144
Total accumulated depreciation	314,680	25,794	16,257	324,217
Total depreciable capital assets, net	554,461	(6,882)	9	547,570
Governmental activities capital assets, net	$ 692,894	$ 29,445	$ 5,463	$ 716,876

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Total business-type activities:				
Capital assets not being depreciated:				
Land	$ 7,881	$ 667	$ -	$ 8,548
Construction in progress	26,440	21,509	14,053	33,896
Total capital assets not being depreciated	34,321	22,176	14,053	42,444
Capital assets that are being depreciated:				
Water rights	20,940	-	-	20,940
Plant	704,994	30,648	30,087	705,555
Total capital assets being depreciated, at historical cost	725,934	30,648	30,087	726,495
Less accumulated depreciation for:				
Water rights	5,108	420	-	5,528
Plant	285,620	16,564	30,087	272,097
Total accumulated depreciation	290,728	16,984	30,087	277,625
Total depreciable capital assets, net	435,206	13,664	-	448,870
Business-type activities capital assets, net	$ 469,527	$ 35,840	$ 14,053	$ 491,314

Depreciation expense was charged to functions/programs as follows (in thousands):

	Governmental Activities	Business-Type Activities
General government	$ 7,231	$ -
Police	1,511	-
Fire	1,625	-
Public health and environmental services	1,389	-
Parks and recreation	3,105	-
Municipal court	106	-
Library	843	-
Planning and development	43	-
Drainage utilities	175	-
Public works	9,766	-
Solid Waste	-	499
Municipal drainage	-	1,255
Water and sanitary sewer	-	15,230
	$ 25,794	$ 16,984

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The governmental activities construction in progress is funded principally by general obligation bonds or special revenue bonds and is comprised of the following as of September 30, 2016 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2016	Commitments For Future Expenditures
Storm Sewer	$ 14,431	$ 6,516	$ 7,915
Park Improvement	571	234	337
Fire	10,967	6,653	4,314
Entertainment venue	28,413	28,264	149
Criminal Justice	522	522	-
Landfill	-	-	-
City Building Improvement	128	14	114
Non-Bond CIP	3,406	813	2,593
Street Improvement	32,745	19,837	12,908
Radio Communication	338	-	338
System Applications	523	234	289
Total governmental activities	$ 92,044	$ 63,087	$ 28,957

The business-type activities construction in progress is funded principally by revenue bonds and utility operations and is composed of the following as of September 30, 2016 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2016	Commitments For Future Expenditures
Water Improvement	$ 11,049	$ 9,242	$ 1,807
Sewer Improvement	13,803	8,560	5,243
Water and Sewer	18,849	11,632	7,217
Municipal Drainage	5,194	1,829	3,365
Solid Waste	2,739	2,633	106
Total business-type activities	$ 51,634	$ 33,896	$ 17,738

(6) Capital Leases

The City entered into a lease agreement as lessee for financing the acquisition of various fire equipment which is payable from governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through a capital lease are as follows:

		Governmental Activities
Assets:		
Equipment	$	5,338,563
Less: Accumulated depreciation		(1,375,944)
Total	$	3,962,619

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016 are as follows:

Year ending September 30		Governmental Activities
2017	$	632,508
2018		479,068
2019		479,068
2020		479,069
2021		242,291
Total minimum future lease payments		2,312,004
Less: Amount representing interest		(82,843)
Present value of minimum lease payments	$	2,229,161

(7) Long-Term Debt

Bonds payable at September 30, 2016 are comprised of the following:

	Governmental Activities
General Obligation Bonds	
$27,500,000 General Obligation Bonds, Series 2007 due in annual principal payments of $1,375,000 through September 15, 2027. Rates range from 4% to 5%.	$ 15,125,000
$32,725,000 General Obligation Bonds, Series 2008 due in annual principal payments ranging from $1,635,000 to $1,640,000 through September 15, 2029. Rates range from 3.5% to 4.5%.	21,255,000
$4,000,000 Combination Tax and Revenue Certificates of Obligation. Series 2008 due in annual principal payments of $200,000 through September 15, 2029. Rates range from 3.25% to 4.6%.	2,600,000
$39,155,000 General Obligation Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $890,000 to $3,680,000 through September 15, 2029. Rates range from 2.5% to 5%.	16,065,000
$17,975,000 General Obligation Bonds, Series 2010 due in annual principal payments ranging from $895,000 to $900,000 through September 15, 2030. Rates range from 2% to 5%.	12,575,000
$34,770,000 General Obligation Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $105,000 to $7,930,000 through September 15, 2031. Rates range from 2.0% to 5.0%.	33,655,000
$22,350,000 General Obligation Refunding and Improvement Bonds, Series 2012 due in annual principal payments ranging from $605,000 to $1,680,000 through September 15, 2032. Rates range from .05% to 3%.	18,715,000
$17,835,000 General Obligation Bonds, Series 2013 due in annual principal payments ranging from $890,000 to $895,000 through September 15, 2033. Rates range from 2% to 4.5%.	15,150,000
$19,860,000 General Obligation Bonds, Series 2014 due in annual principal payments ranging from $985,000 to $1,000,000 through September 15, 2034. Rates range from 3% to 5%.	17,860,000
$22,770,000 General Obligation Refunding and Improvement Bonds, Series 2015 due in annual principal payments ranging from $620,000 to $4,730,000 through September 15, 2035. Rates range from 2% to 4%.	18,040,000
$43,195,000 General Obligation Refunding and Improvement Bonds, Series 2016 due in annual principal payments ranging from $1,185,000 to $8,445,000 through September 15, 2036. Rates range from 4% to 5.5%.	43,195,000
	$ 214,235,000

Special Revenue Bonds

$125,940,000 Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2009 due in annual principal payments ranging from $150,000 to $11,850,000 through September 15, 2039. Rates range from 3.625% to 5.087%.	$	125,790,000
$8,750,000 Combination Tax and Revenue Certificates of Obligation, Series 2013A due in annual principal payments ranging from $40,000 to $780,000 through September 15, 2032. Rates range from 2% to 3%.		8,710,000
$3,210,000 Combination Tax and Revenue Certificates of Obligation, Series 2013B due in annual principal payments ranging from $40,000 to $250,000 through September 15, 2032. Rates range from 2% to 3.125%.		3,170,000
$5,775,000 General Obligation Refunding Taxable Bonds, Series 2013 due in annual principal payments ranging from $625,000 to $695,000 through September 15, 2021. Rates range from 1% to 2.25%.		3,345,000
$20,725,000 Combination Tax and Revenue Certificates of Obligation Bonds, Series 2014 due in annual principal payments ranging from $395,000 to $2,010,000 through September 15, 2033. Rates ranges from 3% to 5%.		20,725,000
$24,660,000 Hotel Occupancy Tax Revenue Refunding Bonds, Taxable Series 2014A due in annual principal payments ranging from $195,000 to $1,805,000 through August 15, 2053. Rates range from 4.606% to 7.25%.		24,660,000
$39,655,000 Hotel Occupancy Tax Revenue Bonds, Tax-Exempt Series 2014B due in annual principal payments ranging from $190,000 to $3,375,000 through August 15, 2043. Rates range from .65% to 5.5%.		37,550,000
	$	223,950,000

Revenue Bonds

$29,095,000 Solid Waste Disposal System Revenue Refunding Taxable Bonds, Series 2012 due in annual principal payments ranging from $150,000 to $2,365,000 through September 30, 2032. Rate is fixed at 4.67% for 15 years, thereafter based on adjusted LIBOR rate plus 270 basis points.	$	27,490,000
	$	27,490,000

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Business-Type Activities

Revenue Bonds

$16,280,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2007 due in annual principal payments ranging from $515,000 to $1,185,000 through August 15, 2027. Rates range from 4% to 5%.	$	10,660,000
$12,115,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2008 due in annual principal payments ranging from $890,000 to $1,350,000 through August 15, 2028. Rates range from 4% to 4.5%.		12,115,000
$21,475,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $680,000 to $2,595,000 through August 15, 2029. Rates range from 3% to 5%.		14,910,000
$69,005,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $1,370,000 to $6,165,000 through August 15, 2031. Rates range from 4.5% to 5%.		42,005,000
$40,035,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2012, due in annual principal payments ranging from $630,000 to $3,745,000 through August 15, 2032. Rates range from 1% to 3%.		28,435,000
$17,430,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2013, due in annual principal payments ranging from $600,000 to $1,210,000 through August 15, 2033. Rates range from 2% to 4.25%.		15,540,000
$17,095,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2015, due in annual principal payments ranging from $470,000 to $1,265,000 through August 15, 2035. Rates range from 2% to 4%.		17,095,000
$30,265,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2016, due in annual principal payments ranging from $775,000 to $2,875,000 through August 15, 2036. Rates range from 3% to 5%.		30,265,000
$2,120,000 Municipal Drainage Utility System Revenue Bonds, Series 2010 due in annual principal payments ranging from $80,000 to $145,000 through August 15, 2030. Rates range from 2% to 4.25%.		1,615,000
$2,660,000 Municipal Drainage Utility System Revenue Bonds, Series 2013 due in annual principal payments ranging from $95,000 to $190,000 through August 15, 2033. Rates range from 2% to 4.375%.		2,360,000
	$	175,000,000

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Long-term liability activity for the year ended September 30, 2016 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds:					
General obligation bonds	$ 210,015	$ 43,195	$ 38,975	$ 214,235	$ 19,300
Special revenue bonds	225,060	-	1,110	223,950	1,715
Revenue bonds	28,630	-	1,140	27,490	1,195
Net premiums	5,607	6,449	1,442	10,614	1,725
Total bonds payable	469,312	49,644	42,667	476,289	23,935
Other liabilities:					
Liability for insurance claims	8,593	25,314	24,509	9,398	6,120
Lease payable	455	2,077	303	2,229	599
Compensated absences	30,909	14,634	14,550	30,993	1,565
OPEB liability	7,752	1,096	-	8,848	-
Net pension liability	88,132	72,417	-	160,549	-
Other obligations:					
DART	1,067	-	1,067	-	-
Texas dept of transportation	1,400	-	1,400	-	-
NCTCOG	976	-	-	976	-
State comptroller	1,103	800	530	1,373	1,080
Total other liabilities	140,387	116,338	42,359	214,366	9,364
Total governmental activities long term liabilities	$ 609,699	$ 165,982	$ 85,026	$ 690,655	$ 33,299
Business-type activities:					
Bonds and contractual obligations payable:					
Revenue bonds	$ 176,465	$ 30,265	$ 31,730	$ 175,000	$ 15,480
Net premiums	7,043	3,741	1,416	9,368	1,469
Water supply obligations	17,236		334	16,902	344
OPEB liability	921	131	-	1,052	-
Net pension liability	6,610	8,217	-	14,827	-
Landfill closure and postclosure care liability	4,932	210	-	5,142	-
Compensated absences	1,028	1,048	1,045	1,031	52
Total business-type activities long-term liabilities	$ 214,235	$ 43,612	$ 34,525	$ 223,322	$ 17,345

The City intends to retire its general obligation bonds, plus interest, from future ad valorem taxes and other revenues. Special revenue bonds, plus interest, will be repaid from future hotel occupancy taxes. Solid Waste Disposal System Revenue bonds will be repaid from budgeted economic development revenues of the General Fund. Net pension obligations and net other postemployment benefit obligations are generally liquidated by the General Fund. The City has other obligations payable to North Central Texas Council of Governments (NCTCOG) and is payable per a land bank agreement and amount is estimated to be due in fiscal year 2018 and will be paid from available economic development funds in the General Fund. The amount payable to the State Comptroller of Texas is being repaid from future sales tax revenue over the next two years. The liability is for sales tax previously allocated to the City, but determined, through taxpayer audits, to be due back to the

taxpayer or to another city. Revenue bonds and water supply obligations of the Water and Sanitary Sewer Enterprise Fund and Municipal Drainage revenue bonds will be repaid, plus interest, from the net operating revenues of the funds. Future obligations for landfill closure and compensated absences will be partially funded using current and future revenues.

Annual debt service requirements to maturity for long-term bonded debt are as follows (in thousands):

Governmental Activities	General Obligation Bonds And Tax Notes		Special Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2017	$ 19,300	$ 9,065	$ 1,715	$ 11,003	$ 1,195	$ 1,284
2018	16,605	8,080	2,530	10,963	1,250	1,228
2019	14,340	7,397	3,365	10,892	1,305	1,169
2020	20,480	6,808	3,715	10,793	1,370	1,112
2021	19,455	5,894	4,530	10,668	1,430	1,045
2022-2026	71,210	18,170	30,880	50,034	8,235	4,157
2027-2031	38,700	6,695	48,130	41,653	10,340	2,046
2032-2036	14,145	1,302	57,875	28,887	2,365	111
2037-2041	-	-	49,530	13,332	-	-
2042-2046	-	-	11,345	5,335	-	-
2047-2051	-	-	6,850	2,823	-	-
2052-2053	-	-	3,485	384	-	-
Total	$ 214,235	$ 63,411	$ 223,950	$ 196,767	$ 27,490	$ 12,152

Business-Type Activities	Revenue Bonds		Water Supply Obligations	
	Principal	Interest	Principal	Interest
Years ending September 30:				
2017	$ 15,480	$ 7,222	$ 344	$ 550
2018	15,685	6,593	355	539
2019	15,810	5,917	367	527
2020	15,325	5,205	379	515
2021	14,475	4,535	391	503
2022-2026	53,115	14,955	2,155	2,315
2027-2031	33,370	5,752	2,529	1,941
2032-2036	11,740	991	2,967	1,502
2037-2041	-	-	3,483	987
2042-2046	-	-	1,809	525
2047-2051	-	-	2,123	211
Total	$ 175,000	$ 51,170	$ 16,902	$ 10,115

(a) General Obligation Bonds

On August 18, 2016, the City of Irving issued $43,195,000 in General Obligation Refunding and Improvement Bonds, Series 2016. A portion of the bond sale, $18,365,000 was used to refund previously issued bonds. $20,825,000 of General Obligation Refunding and Improvement Bonds, Series 2005, were refunded and redeemed on September 19, 2016. Amount of $21,162,601 comprised of proceeds (including premiums) of $10,940,423 were deposited with the escrow agent to purchase obligations authorized by Chapter 1207, Texas Government Code. The reacquisition price exceeded the net carrying value of the old debt by $337,601. This amount will be amortized over the life of the refunded debt, which is shorter than the life of the new debt. As a result, the $20,825,000 refunded obligation is considered defeased and the liability for the bonds has been removed from the City's financial statements. Also, the City decreased its debt service payments by $2,328,983, and incurred an economic gain (difference between present value of debt service payments of old and new) of $2,339,409. The bonds also provided new funds in the amount of $24,830,000 to provide (a) $13,326,261 for street improvements, (b) $330,239 for park improvements (c) $2,651,844 for firefighting improvements and facilities, (d) 8,397,506 for storm drainage and flood control improvements, (e) $124,150 for City building and improvements, and (f) the costs associated with the issuance of the Bonds. The 20 year bonds have interest rates that range from 4% to 5.5%. Principal payments will range from $1,185,000 to $8,445,000 per annum for maturities through 2036 and are payable annually and interest is payable semiannually until maturity (September 15, 2036). The bonds are payable from ad valorem taxes.

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current principal and interest installments as they become due. The Debt Service Fund has $8,262,713 available to service the general obligation bonds as of September 30, 2016. The remaining fund balance is available to service special revenue bonds, as well as, revenue bonds.

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2016, no rebate liability was accrued on General Obligation Bonds.

(b) Special Revenue Bonds

The Combination Tax and Revenue Certificates of Obligation Bonds are Special Revenue bonds secured and payable from a pledge of ad valorem taxes and special assessments levied within the Public Improvement District.

The Hotel Occupancy Tax Revenue Bonds, Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation and the General Obligation Refunding Taxable Bonds are Special Revenue Bonds secured and payable from a pledge of both hotel occupancy taxes and ad valorem taxes.

The City is required by Bond Ordinance to create and maintain an Interest and Sinking Fund to be used for the payment of debt service on the Special Revenue Bonds outstanding. These funds are restricted in use as explained below.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Special Revenue Bonds as they become due and payable. The City is required to make quarterly deposits to the fund to meet the debt service requirements. Amounts available to service the Special Revenue Bonds totaled $6,701,050.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Special Revenue Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. As of September 30, 2016, the total amount required to be accumulated in the Reserve Fund is $16,577,175. Actual accumulation in the Reserve fund at September 30, 2016 is $16,612,256.

(c) Solid Waste Disposal System (Heritage) Revenue Bonds

The Solid Waste Disposal System (Heritage) Revenue Bonds are payable solely from and secured by a lien on and pledge of the Solid Waste Disposal System revenues; the debt service payments are made from the General Fund; therefore, the bonds are reflected as governmental activities.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Solid Waste Disposal System Revenue Bonds as they become due and payable. The City is required to make monthly deposits to the fund to meet the debt service requirements. Amounts available as of September 30, 2016 to service the Revenue Bonds totaled $20,405.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Solid Waste Disposal System Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. On June 7, 2012, the reserve requirement for these revenue bonds was established at $2,418,815 which is determined by the lesser of (i) Maximum Annual Debt Service at date of issuance, (ii) 125% of average Debt Service or (iii) 10% of the original principal of bonds at date of issuance. As of September 30, 2016, the total amount required to be accumulated in the Reserve Fund is $2,481,815. Actual accumulation in the Reserve fund at September 30, 2016 is $2,498,838.

(d) Municipal Drainage Utility System Revenue Bonds

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the Municipal Drainage Utility.

Interest and Sinking Fund – The Interest and Sinking Fund (aka Bond Fund) is used to pay principal and interest on the Municipal Drainage Utility System Revenue Bonds as they become due and payable. The City is required to make equal monthly installments to the fund to meet the debt service requirements. Amounts available to service the Municipal Drainage Utility System Revenue Bonds totaled $347,646 at September 30, 2016.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the revenue bonds if the amount in the Bond Fund is insufficient for such purpose. As of September 30, 2016, the total amount required to be accumulated in the Reserve Fund is $320,924. Actual accumulation in the Reserve fund at September 30, 2016 is $326,990.

(e) Water and Sanitary Sewer Revenue Bonds

On August 18, 2016, the City sold $30,265,000 of Waterworks & Sewer System New Lien Revenue Refunding and Improvement bonds, Series 2016. $15,255,000 of the proceeds and premiums received from the bonds sales were used refund a portion of the city's outstanding debt consisting of $17,215,000 of Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2006 (redeemed September 19, 2016). $15,010,000 of the proceeds are to be used for certain improvements and extensions to the City's Waterworks and Sewer System and pay the costs

associated with the issuance of the bonds. As a result, $17,215,000 of the refunded obligation is considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The reacquisition price exceed the net carrying amount of the old debt by $2,305,002. The amount is being amortized over the life of the refunded debt which is shorter than the life of the new debt issued. This refunding resulted in an economic gain of $2,600,227 and a reduction of $2,600,227 in debt service payments.

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System (the System).

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2016, no rebate liability was accrued on Water and Sewer Revenue Bonds.

The City is required by Bond Ordinance to create and maintain certain funds to be held for the payment of debt service on the outstanding Revenue Bonds. These funds, as fully explained below, are restricted in use and held by the City.

New Lien Interest and Sinking Fund – The New Lien Interest and Sinking Fund is used to pay principal and interest on the New Lien Revenue Bonds as they become due and payable. The City is required to make equal monthly deposits to the fund to meet the debt service requirements. As of September 30, 2016, the amount required should be 1/12 of the next principal payment and 1/6 of the next interest payment totaling $1,861,920. Amounts held in the New Lien Interest and Sinking Fund totaled $3,110,710 at September 30, 2016.

New Lien Reserve Fund – The New Lien Reserve Fund is used to pay principal and interest on the New Lien Revenue Bonds falling due at any time amounts in the New Lien Interest and Sinking Fund are insufficient to meet such payments. The Bond Ordinance requires the City to maintain an amount equal to greater of (i) 50% of the average annual principal and interest requirements of all outstanding bonds or (ii) 33.3% of the maximum annual principal and interest requirements of all outstanding bonds. Based on the outstanding New Lien Revenue Bonds at September 30, 2016, the total amount required to be accumulated within 60 months in the New Lien Reserve Fund is $7,443,861. Amounts held in the New Lien Reserve Fund at September 30, 2016 totaled $7,443,861.

Compliance with Debt Covenants – At September 30, 2016, and for the year then ended, management believes that the City was in compliance with all financial bond covenants on outstanding revenue and general obligation debt.

(f) Water Supply

On March 29, 1968, the City entered into a water supply contract (the Agreement) with the U.S. government whereby the City has received the right to utilize a specified supply of water stored at Lake Chapman (formerly Cooper Reservoir), which has been designated for municipal and industrial use. The City began amortizing these rights in fiscal year 2004 over the term of the related obligation of 50 years. Interest rate on the obligation is 3.25%.

Under the provisions of the Agreement, the City has incurred a contractual obligation which represents a specified percentage of the construction costs of the Lake by the U.S. Army Corps of

Engineers, including estimated future operation, maintenance, and replacement costs after completion of the project.

The first payment for initial water supply use was due and payable within 30 days following the date upon which the Lake became operative for other purposes (date of deliberate impoundment September 28, 1991). Payments thereafter are due within 30 days of the anniversary date of the first payment. The first payment for future water supply use was due and payable within 30 days of the 10th anniversary of the date of notification of deliberate impoundment.

(g) ***Defeased Bonds Outstanding*** – In current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2016, there are no bonds outstanding that are defeased.

(8) Contractual Obligations for Water Supply and Wastewater Treatment

Long-term contracts between the City and other governmental authorities give the City specified rights to water supply and wastewater treatment, in return for payment of costs to construct facilities serving the City and a portion of the operating expenses of those facilities.

Wastewater Treatment

On March 16, 1973, the City entered into an agreement with the Trinity River Authority (TRA) whereby TRA agreed to provide a wastewater treatment and disposal system for the benefit of the City and other cities located within the Upper Trinity River Basin. Each city pays its proportionate share of operating expenses and debt service of TRA. The City's annual payment for the year ended September 30, 2016 was $22,124,569. The agreement will remain in effect through the year 2023 or until any outstanding bonds or refunding bonds have been paid in full.

Water Supply

On February 22, 1955, the City, the City of Grand Prairie and the City of Dallas entered into an agreement whereby Dallas would provide treated water supply. The current contract expires in 2033. The annual payment for the year ended September 30, 2016 was $5,040,332.

On June 30, 2003, the City entered into an agreement with the City of Dallas whereby Dallas would provide treatment of and storage for the City's water from Jim Chapman Lake for thirty years. The annual payment for the year ended September 30, 2016 was $6,659,412.

(9) Inter-fund Balances

(a) ***Inter-fund Receivables and Payables:*** Inter-fund receivable and payable balances at September 30, 2016 were as follows:

	Receivables	Payables
General fund	$ 1,109,828	$ 4,119
Non-major governmental	4,891	1,110,600
Total	$ 1,114,719	$ 1,114,719

Inter-fund receivables and payables consist of:

- Administrative costs for the collection, accounting, and distribution of hotel occupancy taxes due to City General Fund organizations;
- Receivables due from various non-major funds to the City's General fund;

These balances are expected to be liquidated during the next fiscal year.

(b) ***Inter-fund Transfers:*** Transfers are made from one fund to the other for services or assets provided to other funds. Transfers made between funds during the year are listed below.

	Transfers In			
	General Fund	Debt Service Fund	Non-major Governmental	Total
Transfers out:				
General Fund	$ -	$ 2,480,684	$ 9,073,587	$ 11,554,271
Solid Waste	-	565,795	-	565,795
Non-major governmental funds	2,066,947	11,531,144	515,000	14,113,091
	$ 2,066,947	$ 14,577,623	$ 9,588,587	$ 26,233,157

Inter-fund transfers consist of:

- General Fund to Debt Service for debt payments of revenue bonds;
- Convention Center Complex and Entertainment Venue, and Solid Waste funds to the Debt Service Fund to pay for the debt related to these activities;
- General Fund to several grants within the non-major governmental fund for grant activities and projects;
- Transfers between General Fund and Tax Increment Financing District (TIF) pertain to City's participation in TIF.
- Transfers within non-major governmental funds to pay for capital projects.

(10) Self-Insurance Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and outstanding medical claims. During fiscal year 1989, the City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of $500,000 for each workers' compensation, employer liability claim, and combined workers' compensation and employer liability, and all physical damages to City vehicles. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded their commercial coverage for any of the past three fiscal years. The City also accounts for the provision of employee health insurance through the City-sponsored PPO and indemnity plan. Premiums are paid into the fund by the City and by employees. Premiums are set by actuaries at an amount to cover claims, fees, administrative costs and the purchase of excess reinsurance. All actuarial-determined, outstanding medical claims are expected to be paid within the next twelve months.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on historical cost and actuarial estimates of the amounts needed to pay any unfunded portions of prior year claims and estimated current year claims and to establish a reserve for catastrophic losses. The reserve was $13,949,611 at September 30, 2016, which is represented by the net position of the City's Self-Insurance Fund. The claims liability of $9,398,203 reported in the fund at September 30, 2016 is based on the requirements of GASB No. 10, as amended, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It requires that a liability for claims be reported if information, prior to the issuance of the financial statements, indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Effective January 1, 2007, the City no longer offered an HMO insurance plan. Employees previously in the HMO plan had the option to elect the City-sponsored PPO plan. The increase in participants resulted in increase in claims activity. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable material, salvage, and subrogation. Changes in the estimated liability for unpaid claims in fiscal years 2015 and 2016 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2014 - 2015	$ 8,037,281	$ 28,453,007	$ 27,897,511	$ 8,592,777
2015 - 2016	$ 8,592,777	$ 25,314,694	$ 24,509,268	$ 9,398,203

(11) Employee Benefit Plans

The City participates in three retirement plans at September 30, 2016. The Firemen's Relief and Retirement Fund (FRRF) is a defined benefit plan covering the City's firefighters. The Supplemental Benefit Plan is a contributory defined benefit plan covering all full-time City employees (excluding Fire Civil Service employees and nonresident aliens). The City is also a member of the Texas Municipal Retirement System (TMRS). TMRS is a statewide agent multi-employer, joint contributory, hybrid-defined benefit plan.

For employees participating in FRRF or TMRS, the total annual amount of the City contribution for retirement benefits for such employees shall not exceed 16.75% of the total annual salaries of such employees.

The FRRF and the Supplemental Benefit Plan are reported using the economic resources measurement focus and the accrual basis of accounting. Contributions, benefits, and refunds paid are recognized when due.

*(a) **Firemen's Relief and Retirement Fund (FRRF)***

The Board of Trustees of the Irving FRRF is the administrator of the FRRF, a single-employer contributory defined benefit pension plan. FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as the determination of employee contribution rates, without approval by the City, and the board is not appointed by the City Council. FRRF covers current and former Fire Department personnel of the City, as well as certain beneficiaries of former Fire Department personnel. Separate audited financial statements are available and can be obtained by contacting the Irving Fire Department at the City of Irving, 845 W. Irving Blvd, Irving, Texas 75060.

All full-time employees of the City of Irving Fire Department are members of the Irving FRRF.

Benefits: Members and the City each contribute to the Fund. Members contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a member's contributions are excluded from his taxable income when paid into the Fund.

Members receive credit for service for the period of employment during which they pay into, and keep on deposit in the Fund, the contributions required by the Fund. Service also includes periods during which the member received a disability benefit from the Fund in excess of the minimum $200 monthly benefit for covered members. However, the service granted during periods of disability is limited to the amount of service, if any, necessary to bring the member's total service up to 20 years.

Retirement, death, disability and terminations benefits are calculated based upon a member's average compensation. Average compensations is based on the member's pay for the 78 consecutive two-week pay periods during which his total pay was the highest.

FRRF provides service retirement, death, and disability benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. The monthly benefit at retirement equals 3.175 percent of the member's average monthly compensation multiplied by the member's whole years and months of service not in excess of 21 years plus $60 per month for each year of service in excess of 21 years.

Service retirement benefits are payable for the member's lifetime. In the event a member's death precedes that of their spouse, two-thirds of the member's pension will be continued to the spouse for their lifetime.

A member is eligible to elect early retirement upon completion of 20 years of service and attainment of age 45. A member who retires under the early retirement provisions of the Fund will receive reduced monthly retirement benefits.

In the event of the disability of a plan participant before the date the plan participant qualifies for a service retirement benefit, the plan participant will receive a monthly benefit, payable in the same form as the service retirement benefit.

In the event of the death of a plan participant who is in active service, the plan participant's spouse will receive a monthly benefit equal to the sum of 42.33 percent of the member's average monthly compensation, plus two-thirds of the monthly retirement benefit which the member had accrued as of the date of his or her death. This benefit is payable for the spouse's lifetime; however, in the event of the spouse's death, the benefit is continued to the children eligible for the orphan's benefit.

In addition to the above spouse's benefit, each unmarried child of the plan participant will receive a monthly benefit of 8.47% of the plan participant's average monthly compensation. Benefits continue until the child reaches age 18 (age 22 for a full-time student or for life in the case of the child's disability).

The sum of all benefits payable on behalf of a plan participant may not exceed the service retirement benefit to which participant was entitled as of the date of participant's death. In the event such benefits do exceed this limit, each beneficiary's benefit is reduced pro rata until the sum of the benefits complies with this limitation.

If a plan participant has completed at least 20 years of service but has not attained age 50 on participant's date of termination, participant will be entitled to receive a monthly retirement income commencing at age 50. The amount of such benefit will equal the monthly retirement benefit the plan participant had earned as of participant's date of termination.

Plan participants who terminate service prior to the date they complete ten years of service will be entitled to receive the return of their employee contributions. However, plan participants who terminate with at least ten years of service may elect to receive, in lieu of their accumulated contributions, a monthly retirement benefit, commencing on the date the plan participant would have both attained age 50 and completed 20 years of service, equal to a pro rata share of participant's anticipated retirement benefit at date of termination, multiplied by the appropriate vested percentage.

The types of employees covered and current plan membership as of December 31, 2015 (the date of the most recent Plans financial statement) are as follows:

Retirees and beneficiaries currently receiving benefits	162
Terminated employees entitled to but not yet receiving benefits	1
Active members	318
Total	481

Contributions: The Irving FRRF is subject to a state-mandated minimum employer contribution rate equal to the lessor of (a) the fire fighter contribution rate or (b) 12 percent of covered payroll. The contribution rates of Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed every two years to evaluate the levels to which Plan assets and

contributions are able to meet the benefit liability. Cost of administering the Fund are paid form Plan assets.

The member's contribution rate is 12 percent of their covered payroll. For fiscal year 2016, the City made contributions of 15.65% of covered payroll.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2015 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation prepared as of December 31, 2015.

Actuarial assumptions: The TPL was determined using the following assumptions utilized in the preparation of the actuarial report prepared as of December 31, 2015:

Inflation	3.00%
Salary increases	3.00% to 11.30%, including inflation
Investment Rate of Return	8.25%, net of pension plan investment expense, including inflation

Salary increases were based on service related tables. Mortality rates were changed from RP2000 Mortality Table, male and female rates, projected to 2015 using scale AA, with separate rates from males and females to the Employee and Healthy Annuitant Combined Rates from the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females. The mortality changes were made in order to recognize mortality improvement through the valuation date and provide a margin for future mortality improvements. The assumed retirement age and the salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. The actuarial cost method used in the valuation is the individual entry age normal actuarial.

The assumed retirement age for active members are based on a study which developed rates of retirement for ages 50 through 62, the age at which the large majority of retirements occur. Twenty years of service is required in order to be eligible for service retirement under the fund. The rate at which active members' salary is assumed to increase each year is 4.25% compounded annually. The City's contribution rate to the plan was raised from 15% to 15.65% of pay.

The assumed 8.25 percent rate of return can be considered to include a provision for inflation at 3 percent per year, although other combinations of real return, risk premium and inflation are also accounted for by an 8.25 percent assumed rate. The rate of return is net of Plan expenses. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and other actuarial assumptions.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	5.48%	3.00%
Large Cap Growth	12.54%	6.50%
Large Cap Value	12.72%	7.50%
Small and Mid Cap Growth	5.78%	6.70%
Small and Mid Cap Value	3.72%	7.70%
Emerging Markets	4.31%	5.00%
International Equity	16.74%	5.50%
Real Estate	19.78%	8.70%
Absolute Return	6.66%	12.00%
Alternative Investments	9.98%	2.50%
Cash and Short-term Fixed	2.29%	0.00%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2014	$ 229,514,103	$ 178,839,832	$ 50,674,271
Changes for the year			
Service cost	5,025,038	-	5,025,038
Interest	19,019,327	-	19,019,327
Change in benefit terms	-	-	-
Difference between expected and actual experience	(619,021)	-	(619,021)
Changes in assumption	1,719,597	-	1,719,597
Contributions - employer	-	4,273,487	(4,273,487)
Contributions - employee	-	3,276,795	(3,276,795)
Net investment income	-	(4,248,306)	4,248,306
Benefit payments, including refunds of employee contributions	(8,003,691)	(8,003,691)	-
Administrative expense	-	(100,530)	100,530
Other changes	-	-	-
Net changes	17,141,250	(4,802,245)	21,943,495
Balance at 12/31/2015	$ 246,655,353	$ 174,037,587	$ 72,617,766

The following presents the net pension liability of the City calculated using the discount rate of 8.25 percent, as well as, what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher that the current rate:

	1% Decrease 7.25%	Current 8.25%	1% Increase 9.25%
City's net pension liability	$ 90,908,321	$ 72,617,766	$ 56,797,591

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting the Irving Fire Department at the City of Irving at 845 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2016, the City recognized pension expense of $11,417,866.

At September 30, 2016, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between projected and actual investment earnings	$ 19,271,112	$ -
Assumption changes	1,527,706	-
Difference between expected and actual experience	-	549,944
Contributions subsequent to the measurement date	3,571,186	-
	$ 24,370,004	$ 549,944

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $3,571,186 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2016 (i.e., recognized in the City's financial statements September 30, 2017). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2017	$ 5,281,202
2018	5,281,202
2019	5,281,200
2020	3,918,764
2021	122,814
Thereafter	363,692
	$ 20,248,874

(b) Supplemental Benefit Plan

Effective March 1, 1984, the City established the City of Irving Supplemental Benefit Plan (SBP), a single-employer contributory defined benefit plan. The plan covers employees who are members of the Texas Municipal Retirement System (Government and Police employees). Participation in the plan provides employees the opportunity to supplement their retirement income as these employees will not be eligible for Social Security benefits based on their employment with the City. The plan also replaces to the extent possible, the types of benefits previously provided by the Social Security System such as survivor and disability benefits.

Benefits: SBP provides retirement benefits as well as death and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable for life or life of the beneficiary, depending on the benefit option selected by the retirees. Benefits are calculated based on 1/12 of 0.6% of their final average

earnings for each year of credited service. The final average earnings amount is the average earnings in the three consecutive calendar years of service producing the highest such average. Employees are eligible for early retirement age at age 60 after five years of service, or at any age after completion of 20 years of service. All early retirees receive a reduced retirement benefit. Covered employees are required to contribute 2.5% of their earnings to SBP. If an employee leaves covered employment for reasons other than retirement, disability or death with less than five years of credited service, accumulated employee contributions are returned to the employee without interest. If an employee has five or more years of credited service, they may select either a refund of their contributions without interest or a monthly income payable at age 60 equal to the retirement benefit earned to date of termination. Disability benefits are payable six months after an employee is determined to be disabled under the provisions of SBP. Benefits are payable monthly and are equal to 1/12 of 70% of the participant's annualized pay rate at date of disablement reduced by disability income from the TMRS, Social Security, and workers' compensation. SBP also provides death benefits payable monthly to dependent children until attainment of age 25 and a single sum benefit to the surviving spouse.

Employees covered by benefit terms: All City full-time employees except Fire Civil Service employees are covered by SBP. As of January 1, 2016 (the date of the most recent actuarial valuation), membership consisted of:

Retirees and beneficiaries	361
Inactive, nonretired members (includes non vested members entitled to refund)	201
Active members	1,426
Total	1,988

Contributions: The employee contribution rate is 2.50%. The City Council established a maximum employer contribution level, which could be provided to support the benefits of the SBP. Council Resolution #12-16-82-582, enacted December 13, 1982, provided, in part, that the contribution to the SBP shall not exceed the Social Security tax which would otherwise be payable with respect to covered employees plus 3.69% of the salaries of such employees, less the City's contribution to the TMRS. In January 1995, the City had ceased all employer contributions, but beginning January 1, 2012, Council approved resuming contributions to the Plan. The SBP rate approved through the fiscal year 2016 budget process for the City's contribution is 2.14%. The total pension rates for 2016 are in compliance with the City Charter cap limit of no more than 16.75% of total salaries & wages contributed to retirement benefit plans. SBP, which is considered part of the City's financial reporting entity, is included in this report as a pension trust fund.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2015 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation dated January 1, 2016.

Actuarial assumptions: The TPL in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00%
Salary increases	3.50% to 12.00%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates were based on the RP-2000 Tables for males and females projected to year 2003. Varying rates of retirement based on a member's age were established based on plan's experience as determined by the TMRS experience study.

The actuarial assumptions used in the January 1, 2016 valuation were adopted by the Board to match the assumptions used by TMRS in their valuation of the City's TMRS liabilities. The assumptions are internally consistent and are considered reasonable, based on past and anticipated future experience of the Plan.

The long-term expected rate of return on the pension plan investments decreased from 7.0% to 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SPB Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the funding needs of the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return (Arithmetic)
Cash and equivalents	0% to 1%
Diversified portfolio of domestic and international fixed income investments	1% to 3%
Diversified portfolio of domestic or global real estate	2% to 6%
Diversified portfolio of domestic and international common stocks	4% to 8%

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. Projected benefit payments are required to be discounted to their actuarial present values using a Single

Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For valuation purposes, the expected rate of return on the pension plan investments was 6.75%: the municipal bond rate was 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting discount rate was 6.75%.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2014	$ 64,986,164	$ 50,860,858	$ 14,125,306
Changes for the year			
Service cost	2,975,950	-	2,975,950
Interest	4,528,512	-	4,528,512
Change in benefit terms	-	-	-
Difference between expected and actual experience	95,587	-	95,587
Changes in assumption	5,088,734	-	5,088,734
Contributions - employer	-	1,390,021	(1,390,021)
Contributions - employee	-	2,334,190	(2,334,190)
Net investment income	-	(350,875)	350,875
Benefit payments, including refunds of employee contributions	(3,572,309)	(3,572,309)	-
Administrative expense	-	(123,779)	123,779
Other changes	-	-	-
Net changes	9,116,474	(322,752)	9,439,226
Balance at 12/31/2015	$ 74,102,638	$ 50,538,106	$ 23,564,532

Sensitivity of the net pension liability to changes in the discount rate: The sensitivity of the net pension liability to change in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 34,271,902	$ 23,564,532	$ 14,766,898

Pension Plan Fiduciary Net Position: The SBP plan currently does not issue a separate financial report. Detailed information about the Plan's Net Position is included in the City's financial report as a pension trust fund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2016, the City recognized pension expense of $3,293,937.

At September 30, 2016, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ 82,263	$ -
Assumption changes	4,379,434	-
Difference between projected and actual investment earnings	3,681,388	-
Contributions subsequent to the measurement date	1,632,466	-
	$ 9,775,551	$ -

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $1,632,466 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2016 (i.e., recognized in the City's financial statements September 30, 2017). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2017	$ 1,680,958
2018	1,680,958
2019	1,680,957
2020	1,529,011
2021	722,624
Thereafter	848,577
	$ 8,143,085

(c) Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees (except Fire Civil Service).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is

an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

In addition, the City has granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Also, the City has adopted a annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to 30% of the change in the consumer price index (CPI).

A summary of the plan provisions for the City are as follows:

	Plan year 2015
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI

Employees covered by benefit terms: At the December 31, 2015 valuation and measurement date, the following employees were in covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	888
Inactive employees entitled to but not yet receiving benefits	423
Active employees	1,433
Total	2,744

Contributions: The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2016, the City made contributions of 14.16% for the months in 2015 and contribution of 13.51% for the months in 2016. The City's contributions to TMRS for fiscal year 2016 were $13,736,507 and were equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustments, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through

December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation analysis and experience investigation study, the Board amended the long-term expected rate of return on the pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2014	$ 633,644,562	$ 603,702,110	$ 29,942,452
Changes for the year			
Service cost	14,870,411	-	14,870,411
Interest	43,871,555	-	43,871,555
Change in benefit terms	-	-	-
Difference between expected	(1,292,278)		(1,292,278)
and actual experience	11,730,676	-	11,730,676
Changes in assumption	-	-	-
Contributions - employer	-	13,069,439	(13,069,439)
Contributions - employee	-	6,538,152	(6,538,152)
Net investment income	-	890,764	(890,764)
Benefit payments, including refunds			
of employee contributions	(28,686,540)	(28,686,540)	-
Administrative expense	-	(542,586)	542,586
Other changes	-	(26,798)	26,798
Net changes	40,493,824	(8,757,569)	49,251,393
Balance at 12/31/2015	$ 674,138,386	$ 594,944,541	$ 79,193,845

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 169,206,960	$ 79,193,845	$ 4,627,403

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2016, the City recognized pension expense of $21,735,091.

At September 30, 2016, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ -	$ 2,946,190
Assumption changes	9,474,777	-
Difference between projected and actual investment earnings	37,553,160	-
Contributions subsequent to the measurement date	10,385,162	-
Total	$ 57,413,099	$ 2,946,190

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $10,385,162 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2016 (i.e. recognized in the city's financial statements September 30, 2017). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2017	$ 11,221,040
2018	11,221,040
2019	11,221,040
2020	10,017,149
2021	401,478
Thereafter	-
	$ 44,081,747

(12) Voluntary Employee Beneficiary Association

Effective August 31, 2000, the City established the City of Irving Voluntary Employee Beneficiary Association (VEBA) Trust. The purpose of the plan was to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. The benefit was initially established at a level that represented 75% of the "retiree-only" premium for the lowest cost medical plan offered by the City.

The VEBA Plan was significantly amended in September 2004 to include eligible active employees as well as eligible retirees. An eligible retiree means an individual who has retired or was eligible to retire from active service with the City before January 1, 2005 and has at least 25 years of service with the City before January 1, 2005. Benefit is received when the eligible retiree has attained either (i) 55 years of age and at least 30 years of service with the City or (ii) 60 years of age and at least 25 years of service with the

City. The period of coverage commences with the enrollment of an eligible employee and ends on the later of (a) the date the eligible employee retires or (b) the last day of the month in which the eligible employee attains age 65. The monthly subsidy for eligible retirees is fixed at $168.75. Annual VEBA subsidy payments totaled $65,306 in fiscal year 2016.

Existing funds were allocated to establish a reserve sufficient to meet the full funding requirements at the time for the current retirees and future eligible employees. The City has not made contributions during the fiscal year to the Trust.

There are currently 29 retirees enrolled in the plan:

Quality Connect	11
Choice Open Access Plus	17
Open Access Plus	1

Because the amounts in the Trust are for the benefit of both retirees and current employees and because the City has used funds from the Trust to subsidize current employee premiums to the healthcare plan, the Trust does not qualify to be considered an Other Post-Employment Benefit Plan subject to GASB Statement 43.

(13) Other Post-Employment Benefits

Plan Description: In addition to the pension benefits described in Note 11, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from the City's sponsored retirement program (Texas Municipal Retirement System) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance of eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

Effective January 1, 2006, employees may retire after attaining age 60 and at least five years of service or with 20 years of service regardless of age to remain on the group health and life insurance plan for life. Effective August 3, 2006, the group health benefit plan was revised a) to define "Retiree" as any former employee who has met the specified requirements for service or disability retirement under any one of the retirement plans sponsored by the City and b) to revise eligibility for medical benefits for retirees and dependents and clarified continuity of coverage for both the retiree and dependents. The retired employees are required to pay 100% of the premium. The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the Self Insurance Fund. As of September 30, 2016, 131 participants were receiving benefits.

Funding Policy: Current retirees contribute to the retiree health plan the total blended premium for active participants and the City's contribution for actives. The City's contribution consists of pay-as-you-go claims in excess of the retiree contributions. Retiree contributions rates for fiscal year 2016 ranged from $349.30 to $1,839.71 per month depending on age and coverage levels selected. In fiscal year 2016, total member contributions were $6,054,701. The City contribution to the plan of retiree claims net of retiree contributions for fiscal year 2016 was a negative $49,364.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) for the retiree health plan is calculated based on the annual required contribution of the

employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	$ 1,325,277
Interest on net OPEB obligation	325,254
Adjustment to annual required contribution	(472,809)
Annual OPEB cost (expense)	1,177,722
Contributions made	49,364
Change in OPEB obligation	1,227,086
Net OPEB obligation – beginning of year	8,673,441
Net OPEB obligation – end of year	$ 9,900,527

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding two years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	1,533,351	37.1%	7,352,373
2015	1,581,907	16.5%	8,673,441
2016	1,177,722	-4.2%	9,900,527

Funded Status and Funding Progress: As of December 31, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $14,885,550, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $120,596,532 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.34%.

Actuarial valuation of the plan involves estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

A summary of actuarial assumptions is as follows:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percent of Payroll
Amortization Period	Open, 20 year period
Asset Valuation Method	Market
Investment Rate of Return	3.75%
Payroll growth	3.0%
Withdrawal rates (low, mid or high) for Male/Female	Mid-Low/Mid-Low
Inflation Rate	2.5%
Medical Trend	Initial rate of 7.5%; declining to an ultimate Rate of 4.5% after 15 years

(14) Landfill Closure and Postclosure Care Costs

The City owns and operates a sanitary landfill site located in the southeast portion of the City. The landfill operates on a "cell" basis, and state and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The landfill is recorded within the business type activities of the government-wide financial statements. The estimated total liability is $5,142,366 which represents the total closure and postclosure care cost liability based on the use of approximately 37% of the estimated capacity of the landfill at September 30, 2016. The City will recognize the remaining estimated liability for closure and postclosure care of approximately $13.4 million as the remaining estimated capacity is filled, currently estimated to be approximately 50 years. The estimated cost of closure and postclosure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By State law, the City will be required to demonstrate financial assurance requirements each March. The City expects that by using a "Bond Rating Indicator of Financial Strength" the financial assurance requirements will be satisfied, and no trust account will be needed to finance closure and postclosure care costs.

(15) Commitments and Contingencies

The City is committed under certain construction contracts for various general government and water utility projects.

The City has been named as a defendant or codefendant in certain personal injury cases and a number of other matters of litigation, which are pending with respect to various matters arising in the normal course of the City's operations. The outcome of these cases is not known at this time; however, City management is of the opinion that their resolution will not have a materially adverse impact on the City's financial position.

The Water and Sanitary Sewer Enterprise Fund is committed by contract to pay a portion of the operating and maintenance expenses for the useful lives of water supply facilities located at Lake Chapman

(formerly the Cooper Reservoir). In addition, the City is committed by contract to pay a portion of the operating costs and future debt service of the Trinity River Authority for wastewater treatment.

The City participates in several federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2016 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

In November 2004, the City entered into an agreement with a developer for reimbursement of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was $3,000,000 for the construction of the extension for the westbound Interstate Highway 635 access road to the intersections with Belt Line road and an entrance ramp to IH 635. The agreement was amended in June 2006 to increase the maximum amount of reimbursement to developer to $4,000,000 due to higher than expected costs. The annual payments are based on sales tax generated by the merchants on the site in excess of $1.00 per square foot. As long as less than 400,000 sq. ft. of retail space has been constructed, the City retains 60% of the excess sales tax and developer receives 40% of the excess. Should the square feet of retail construction meet or exceed 400,000, the City will retain 40% of the excess and the developer will receive 60% of the excess sales tax. In additions, for the first $1.00 per square foot of all retail space, for any amount over $.50 per square foot of sales tax revenue, the developer receives an aggregate annual reimbursement of up to $.50 per square foot of retail space. Each annual payment is subject to there being at least 10,000 square feet of building improvements on the property that are at least 85% occupied for the preceding calendar year. Gasoline service stations, convenience food stores and self-storage facilities do not qualify under this agreement. The owner of the building improvements must not be in bankruptcy. Any portion of the reimbursable amount not paid after expiration of fifty years will cease to be an obligation of the City. Payments of $1,322,199 have been made from 2009-2015, and $161,832 was paid in 2016. The outstanding balance of the reimbursable amount at September 30, 2016 was $2,515,969 and is not recorded as a liability since the payment is contingent on the collection of future tax revenues.

The City of Irving and the Texas Department of Transportation (TxDOT) entered into a temporary construction easement agreement for a term of ten years commencing on January 31, 2009. This easement is for the purpose of construction staging on the Texas Stadium site for multiple State highway projects. Total amount received from TxDOT is $15,434,019; total recognized for FY16 is $1,005,313, the remaining balance of $1,634,333 is recorded as unearned revenues and will be prorated over the remaining life of the contract.

The City has also entered into a number of economic incentive agreements with developers and corporations that would require the City to abate or rebate future taxes or refund sales taxes to these developers or corporations.

(16) Excess Expenditures over Appropriations

In the Debt Service Fund, fiscal fees and charges were higher than anticipated ($158,433) due to issuance costs incurred for the 2016 general obligation refunding bonds. This increase was offset by additional revenues and expenditure budget savings.

(17) Fund Balance/Net Position Deficit

Funds with deficit fund balances as of September 30, 2016 were the Criminal Justice Fund $4,848, HUD Grants Fund $668,509, Emergency Management Fund $12,228 and Landfill Capital Project Fund $6,416. Grant fund reimbursements were requested as of September 30, 2016 but not received; therefore, the revenues are unearned. Landfill Capital Project Fund negative fund balance is due to commitments being higher than anticipated and source funding will be determined in next fiscal year.

(18) Subsequent Events

No material subsequent events were noted.

(19) New Accounting Principles

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, will be effective September 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and *Disclosures*.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions will be effective September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74,

Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

GASB Statement No. 77, Tax Abatement Disclosures will be effective September 30, 2017. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans will be effective September 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants will be effective September 30, 2017. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity;

and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14 will be effective September 30, 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended.* This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units.*

GASB Statement No. 81, Irrevocable Split-Interest Agreements will be effective September 30, 2017. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

GASB Statement No. 82 Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73 will be effective September 30, 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* Specifically, this Statement addresses issues regarding:

- presentation of payroll-related measures in required supplementary information - amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.
- selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes - clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68.
- classification of payments made by employers to satisfy employee (plan member) contribution requirements - requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits) .

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

* * * *

City of Irving, Texas
Required Supplementary Information
Budgetary Comparison Schedule-General Fund
Year ended September 30, 2016

	Budgeted amounts (GAAP basis)		Actual amounts	Variance with final budget-- positive (negative)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 97,213,355	$ 97,213,355	$ 97,187,595	$ (25,760)
Sales tax	66,883,356	68,183,356	65,516,837	(2,666,519)
Franchise fees	21,019,800	21,019,800	19,700,186	(1,319,614)
Fees and licenses	4,600,367	4,600,367	4,422,240	(178,127)
Permits and inspections	4,526,634	4,526,634	5,539,366	1,012,732
Fines, forfeitures, and penalties	6,416,008	6,416,008	5,120,184	(1,295,824)
Charges for services	607,192	607,192	598,001	(9,191)
Intergovernmental and intragovernmental	7,410,716	7,410,716	7,410,716	-
Investment income	34,152	34,152	316,642	282,490
Miscellaneous	7,600,513	7,488,427	8,734,558	1,246,131
Total revenues	216,312,093	217,500,007	214,546,325	(2,953,682)
Expenditures:				
General government:				
City council	235,342	235,342	200,227	35,115
City secretary's office	1,015,770	935,467	740,430	195,037
City manager's office	1,792,864	1,788,836	1,733,935	54,901
Financial services department	3,844,072	4,817,109	4,705,587	111,522
Strategic resources	1,988,277	2,153,055	1,896,658	256,397
Nondepartmental	16,258,375	19,457,557	18,623,289	834,268
Planning and inspections	4,048,861	4,030,382	3,861,166	169,216
City attorney's office	2,428,620	2,419,329	2,221,143	198,186
Information services	10,359,778	10,167,997	9,163,547	1,004,450
Police	57,795,747	57,942,056	57,237,619	704,437
Fire	42,277,276	42,355,853	41,664,780	691,073
Animal services	1,758,674	1,740,299	1,675,234	65,065
Parks and recreation	16,794,044	16,418,109	15,824,386	593,723
Municipal court services	2,978,937	2,962,128	2,780,399	181,729
Library services	7,082,805	7,057,883	6,896,148	161,735
Community development	21,119,576	19,975,758	17,844,416	2,131,342
Public works and transportation	18,771,332	18,202,572	17,400,200	802,372
Total expenditures	210,550,350	212,659,732	204,469,164	8,190,568
Excess of revenues over expenditures	5,761,743	4,840,275	10,077,161	5,236,886
Other financing sources (uses):				
Transfers in	1,876,541	1,978,661	2,066,947	88,286
Transfers out	(11,111,222)	(11,758,639)	(11,554,271)	204,368
Total other financing sources (uses)	(9,234,681)	(9,779,978)	(9,487,324)	292,654
Net change in fund balances	(3,472,938)	(4,939,703)	589,837	5,529,540
Fund balances, beginning of year	60,573,970	60,573,970	60,573,970	-
Fund balances, end of year	$ 57,101,032	$ 55,634,267	$ 61,163,807	$ 5,529,540

See notes to required supplementary information

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Changes in Net Pension Liability and Related Ratios
Last Two Fiscal Years
(Unaudited)

	2014	2015
Total pension liability		
Service cost	$ 2,844,836	$ 2,975,950
Interest	4,259,329	4,528,512
Changes in benefit terms	-	-
Difference between expected and actual experience	-	95,587
Change of assumptions	-	5,088,734
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)
Net change in total pension liability	4,017,887	9,116,474
Total pension liability - beginning	60,968,277	64,986,164
Total pension liability - ending	$ 64,986,164	$ 74,102,638
Contributions - Employer	$ 1,358,113	$ 1,390,021
Contributions - Employee	2,262,508	2,334,190
Net investment income	2,711,022	(350,875)
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)
Administrative expense	(118,500)	(123,779)
Other	-	-
Net change in plan fiduciary net positions	3,126,865	(322,752)
Plan fiduciary net positon - beginning	47,733,993	50,860,858
Plan fiduciary net position - ending	$ 50,860,858	$ 50,538,106
Net pension liability	14,125,306	23,564,532
Plan fiduciary net position as a percentage of total pension liability	78.26%	68.20%
Covered employee payroll	$ 89,179,811	$ 92,985,815
Net pension liability as a percentage of covered employee payroll	15.84%	25.34%
As of December 31 - Measurement date		

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additonal years' information will be added as it becomes available.

Notes to Schecule:

Covered Employee Payroll shown in table is the beginning of year payroll

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Contributions
Last Two Fiscal Years
(Unaudited)

	2015	2016
Actuarially determined contributions	$ 1,376,198	$ 1,906,560
Contributions in relation to the actuarially determined contribution	1,376,198	1,906,560
Contribution deficiency (excess)	-	-
Covered employee payroll	92,363,058	100,416,531
Contributions as a percentage of covered employee payroll	1.49%	1.90%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the addiitonal years' information will be added as it becomes available.

Notes to schedules:
Valuation Date: January 1, 2016
Actuarially determined contribution rates are calculated as of January 1st. New actuarial assumptions and methods were adopted effective with the January 1, 2016 actuarial valuation. The assumptions and methods below are for the actuarial determined contributions for the most recently completed plan year (2015).

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Project Unit Credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuations method	5 year smoothing of market related value
Inflation	3.00%
Salary increases	3.50%-12.00% including inflation
Investment rate of return	7.00%
Retirement age	Varying rates of retirement based on member's age were established based on plan's experience as determined by the TMRS experience study.
Mortality	The RP-2000 tables for males and females projected to year 2003.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Changes in Net Pension Liability and Related Ratios
Last 2 Fiscal Years
(Unaudited)

	2014	2015
Total pension liability		
Service cost	$ 4,866,613	$ 5,025,038
Interest	17,745,490	19,019,327
Changes in benefit terms	-	-
Difference between expected and actual experience	-	(619,021)
Change of assumptions	-	1,719,597
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)
Net change in total pension liability	15,788,519	17,141,250
Total pension liability - beginning	213,725,584	229,514,103
Total pension liability - ending	$ 229,514,103	$ 246,655,353
Contributions - Employer	$ 4,006,697	$ 4,273,487
Contributions - Employee	3,200,993	3,276,795
Net investment income	7,328,533	(4,248,306)
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)
Administrative expense	(167,106)	(100,530)
Other	-	-
Net change in plan fiduciary net position	7,545,533	(4,802,245)
Plan fiduciary net positon - beginning	171,294,299	178,839,832
Plan fiduciary net position - ending	$ 178,839,832	$ 174,037,587
Net pension liability	50,674,271	72,617,766
Plan fiduciary net position as a percentage of total pension liability	77.92%	70.56%
Covered employee payroll	$ 26,674,942	$ 27,306,626
Net pension liability as a percentage of covered employee payroll	189.97%	265.93%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the addiltonal years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Contributions
Last Two Fiscal Years
(Unaudited)

	Fiscal year	
	2015	2016
Actuarially determined contributions	$ 4,199,033	$ 4,575,029
Contributions in relation to the actuarially determined contribution	4,199,033	4,575,029
Contribution deficiency (excess)	-	-
Covered employee payroll	26,880,615	29,165,421
Contributions as a percentage of covered employee payroll	15.62%	15.69%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the addiitonal years' information will be added as it becomes available.

Notes to schedules:

Valuation Date:	December 31, 2015

Actuarially determined contribution rates were based on the contracted contributions rate.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	46.5 years
Asset valuations method	5 yr smoothed market value with a 20% market value corridor
Inflation	3.00%
Salary increases	3% to 11.30%, including inflation, based on services at attained age.
Investment rate of return	8.25%
Retirement age	Experienced -based table of rates that are specific to the pension fund
Mortality	Employee and healthy annuitant combined rates from RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females
Other information:	There have been no benefit changes since the December 31, 2015 valuation change

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Last 2 Fiscal Years
(Unaudited)

	2014	2015
Total pension liability		
Service cost	$ 13,088,408	$ 14,870,411
Interest	42,078,112	43,871,555
Changes in benefit terms	39,545,256	-
Difference between expected and actual experience	(2,994,771)	(1,292,278)
Change of assumptions	-	11,730,676
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)
Net change in total pension liability	65,519,274	40,493,824
Total pension liability - beginning	568,125,288	633,644,562
Total pension liability - ending	$ 633,644,562	$ 674,138,386
Contributions - Employer	$ 10,031,514	$ 13,069,439
Contributions - Employee	6,420,961	6,538,152
Net investment income	33,211,991	890,765
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)
Administrative expense	(346,774)	(542,586)
Other	(28,511)	(26,799)
Net change in plan fiduciary net position	23,091,450	(8,757,569)
Plan fiduciary net positon - beginning	580,610,660	603,702,110
Plan fiduciary net position - ending	$ 603,702,110	$ 594,944,541
Net pension liability	29,942,452	79,193,845
Plan fiduciary net position as a percentage of total pension liability	95.27%	88.25%
Covered employee payroll	$ 90,741,349	$ 93,289,906
Net pension liability as a percentage of covered employee payroll	33.00%	84.89%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the addiitonal years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Contributions
Last 2 Fiscal Years
(Unaudited)

	Fiscal year	
	2015	2016
Actuarially determined contributions	$ 12,319,383	$ 13,736,507
Contributions in relation to the actuarially determined contribution	$ 12,319,383	$ 13,736,507
Contribution deficiency (excess)	-	-
Covered employee payroll	92,363,058	100,416,531
Contributions as a percentage of covered employee payroll	13.34%	13.68%

Notes to schedules:

Valuation Date: December 31, 2015

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuations method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based tables of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the addiitonal years' information will be added as it becomes available.

Other information: There were no benefit changes during the year.

CITY OF IRVING, TEXAS

Required Supplementary Information
Retiree Health Plan
Schedule of Funding Progress
(Unaudited)

Actuarial Valuation Date*	12/31/2007	12/31/2009	12/31/2011	12/31/2013	12/31/2015
Actuarial Value of Assets	-	-	-	-	-
Actuarial Accrued Liability	$ 52,330,932	$ 26,375,713	$ 26,507,441	$ 19,045,783	$ 14,885,550
Percentage Funded	0%	0%	0%	0%	0%
Unfunded Actuarial Accrued Liability (UAAL)	52,330,932	26,375,713	26,507,441	19,045,783	14,885,550
Annual Covered Payroll	98,647,492	116,082,401	105,506,259	113,137,689	120,596,532
UAAL as a Percentage of Covered Payroll	53.05%	22.72%	25.12%	16.83%	12.34%

* Actuarial study done every two years.

(1) Budgets and Budgetary Accounting

Approximately two months prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in advance of and following the initial preparation of the budget at which comments concerning the budget are heard prior to approval of the budget by the City Council.

The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies.

Budget control is exercised at the activity level by department (i.e., City Manager's Office, City Secretary's Office, Financial Services, General Services, etc.). Reported budget amounts are the amounts originally adopted and amended by appropriation ordinances passed by the City Council. All modifications to the adopted budget require City Council ordinance.

An annual budget for the General Fund is adopted on a basis consistent with GAAP. All appropriations lapse at year-end. Additionally, annual budgets are adopted for the Debt Service Fund and Special Revenue Funds on a basis consistent with GAAP. Project length financial plans are adopted for all Capital Project Funds.

(2) Excess Expenditures over Appropriations

The total expenditures for the General Fund were less than the amount budgeted by $8,190,568.

IRVING
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CITY OF IRVING, TEXAS

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds. The Debt Service Fund has a legally adopted budget. The following schedule presents the results on a budget (GAAP) and actual basis.

City of Irving, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Debt Service Fund
Year ended September 30, 2016

	Original Budget	Adjusted Budget	Actual	Variance positive (negative)
Revenues:				
General property taxes	$ 27,028,891	27,028,891	26,998,055	(30,836)
Interest	37,525	37,525	137,111	99,586
Total revenues	27,066,416	27,066,416	27,135,166	68,750
Expenditures:				
Principal on general obligation bonds	18,150,000	18,150,000	18,150,000	-
Principal on special revenue bonds	1,110,000	1,110,000	1,110,000	-
Principal on revenue bonds	1,140,000	1,140,000	1,140,000	-
Interest on general obligation bonds	8,426,416	8,426,416	8,426,413	3
Interest on special revenue bonds	11,022,256	11,022,256	11,022,256	-
Interest on revenue bonds	1,340,684	1,340,684	1,340,684	-
Fiscal fees and charges	16,950	16,950	175,383	(158,433)
Contract payments	220,000	220,000	161,832	58,168
Total expenditures	41,426,306	41,426,306	41,526,568	(100,262)
Deficiency of revenues under expenditures	(14,359,890)	(14,359,890)	(14,391,402)	(31,512)
Other financing sources (uses):				
Discount on bonds issued	-	-	2,961,784	2,961,784
Payments to refund escrow	-	-	(21,162,601)	(21,162,601)
Refunding bonds issued	-	-	18,365,000	18,365,000
Transfer in	13,910,133	14,190,069	14,577,623	387,554
Transfer out	(812,670)	(812,670)	-	812,670
Total other financing sources	13,097,463	13,377,399	14,741,806	1,364,407
Net change in fund balance	(1,262,427)	(982,491)	350,404	1,332,895
Fund balances, beginning of year	33,744,858	33,744,858	33,744,858	-
Fund balances, end of year	$ 32,482,431	32,762,367	34,095,262	1,332,895

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Criminal Justice Grant – This fund is used to account for the expenditures of state and federal monies, to provide legal assistance to the City's police department, and to provide a program to reduce juvenile delinquency.

Irving Convention and Visitors Bureau – This fund is used to account for the City's program to attract conventions and tourists to the City. A portion of the City's hotel/motel occupancy tax finances the Bureau's activities.

Irving Arts Center – This fund is used to account for the City's efforts to encourage and develop the arts through grants to various cultural groups and through the accumulation of funds for the operation and future construction of cultural facilities. A portion of the City's hotel/motel occupancy tax finances the Art Center's activities.

Police Narcotics – This fund is used to account for the expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state and federal law.

Historical Preservation – This fund is used to account for the City's efforts to preserve and restore historical sites within the City. A portion of the City's hotel/motel occupancy tax finances the fund's activities.

Local Law Enforcement Block Grant – This fund is used to account for the expenditures of state and federal monies used to purchase equipment and materials for use within the Police Department.

Municipal Court Security Fees – This fund is used to account for the collection of fees imposed on fines authorized by the state legislature for technology and security measures utilized in the Court Building.

Texas Highway Safety Grant – This fund is used to account for the expenditures of State monies for the Speed and Occupant Selective Traffic Enforcement Program (STEP) Grants.

Miscellaneous Grants – This fund is used to account for the expenditures of monies for the Department of Health and Human Service, Economic Development Services, and the North Central Texas Council of Governments.

TIF Fund – This fund is used to account for the expenditures incurred in administering the Tax Increment Financing (TIF) programs.

Convention Center Complex – This fund is used to account for the Hotel/Motel Tax revenue that has been earmarked for the building maintenance of the Irving Convention Center Complex.

Entertainment Venue – This fund is used to account for the additional two percent Hotel Motel Tax revenue that is being collected to provide funding for an Entertainment Venue as part of the Convention Center complex.

Museum Fund – This fund is used to account for the Hotel/Motel Tax revenue that has been designated for the building and operation of museums in Irving.

HUD Grants – This fund is used to account for the expenditures resulting from the administration of the federal grants received from the Department of Housing and Urban Development (HUD). The grants included in this fund are the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and the Emergency Shelter Grant (ESG) and Section 108 Guarantee Loan.

Library Grant Fund - This fund is used to account for the expenditure of monies for the purchase of library materials and equipment.

Miscellaneous Special Revenue Fund – This fund is used to account for the receipt of non-governmental donations and associated expenditures. Currently, this fund is used by the Irving Municipal Court, Irving Fire Department, Housing and Human Services, and Animal Services.

Emergency Management Grants - This fund is used to account for the expenditure of monies awarded by the Department of Homeland Security to improve the City's ability to prevent, respond to, and recover from acts of terrorism and natural disasters.

Red Light Camera Enforcement – This fund accounts for all revenues and expenditures associated with Red Light Camera traffic enforcement.

Irving Housing Finance Corporation- This fund is used to record expenditures resulting from the purchases of real estate for rehabilitation/ new construction and homebuyer assistance to the citizens of Irving.

Public, Educational, and Government Access (PEG Fees) Fund-This fund is used to record the surcharge from cable fees and is designated to fund capital related expenditures for Irving Community Television Network (ICTN).

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Special Revenue Funds).

Storm Sewer – This fund is used to account for the financing and construction of improvements to and the extension of the City's storm sewer system. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Park Improvement – This fund is used to account for the financing of improvements to and enlargements of the City's parks. These improvements and enlargements are funded by general obligation bond proceeds and interest on investments.

Fire Station – This fund is used to account for the financing of the construction and renovation of fire stations and the acquisition of firefighting equipment. General obligation bond proceeds and interest on investments are the sources of financing of the building renovation and equipment purchases.

Library – This fund is used to account for the financing, construction, and furnishing of library facilities with the proceeds of general obligation bonds and interest on investments.

Criminal Justice – This fund is used to account for the financing and construction of police and court-related facilities. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Landfill – This fund is used to account for the financing of improvements to the municipal sanitary landfill. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

City Buildings Improvement – This fund is used to account for the financing of improvements and remodeling of various City buildings. The proceeds of general obligation bonds and interest on investments are used to finance the improvements

DART – This fund is used to account for the construction of improvements to and the extension of the City's streets, which are part of the DART transportation routes. The construction is financed from sales tax proceeds remitted to the City through DART and interest on investments.

Radio Communication Systems – This fund is used to account for the purchase of a citywide radio communications system. The proceeds of general obligation bonds and interest on investments are used to finance the purchase.

Non-bond CIP – This fund is used to account for the purchases and construction of miscellaneous capital projects that are not required either legally or contractually to be accounted for in an individual fund. These projects are being funded through a transfer from the General Fund and interest on investments.

Street Improvement Fund – This fund was established to account for construction of the City's street infrastructure. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Entertainment Venue – This fund was established to account for the construction of the City's Entertainment Venue. The proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes are used to finance the proceeds.

Texas Stadium Venue Project – This fund was established to account for 10% admissions tax and a tax on parking fees (under a state statue referred to as the Brimer bill) collected during the final football seasons. These funds assist the City in assuming responsibility for the venue site and facilities and will be applied to fund a range of capital project authorized under that statute.

Veteran's Memorial Park – This fund is used to account for the construction, improvements and maintenance of the Veteran's Memorial at its existing location from General Obligation Bonds and interest on investments.

Animal Shelter Fund – This fund is used to account for the design, purchase of land and construction of a new animal shelter. The new facility will be a joint project housing the City Animal Services operation and the DFW Human Society.

Infrastructure – This fund is used to account for capital improvement program items funded through the use of Certificates of Obligation.

Gateway Development – This fund is used to account for public capital improvements associated with private developments. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

PID #1 Bridges – This fund is used to account for capital improvements associated within the Bridges of Las Colinas Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

PID #2 Ranchview – This fund is used to account for capital improvements associated within the Ranchview Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

PID #3 Parkside – This fund is used to account for capital improvements associated within the Parkside Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016

	Special Revenue Funds				
	Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics	Historical Preservation
Assets					
Cash and cash equivalents	$ -	5,498,291	5,093,903	1,643,064	66,534
Investments	-	-	-	-	199,413
Receivables (net of allowance for doubtful accounts):					
Taxes	-	2,008,942	815,156	-	35,245
Accrued interest	-	1,926	1,687	-	28
Accounts receivable	-	340,130	36,330	-	-
Real estate held for resale	-	-	-	-	-
Due from other funds	-	772	4,119	-	-
Due from other governments	30,457	-	-	-	-
Prepaids	-	-	2,500	4,900	-
Total assets	$ 30,457	7,850,061	5,953,695	1,647,964	301,220
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ -	813,774	18,634	16,594	980
Accrued wages and benefits	6,710	203,221	48,461	1,044	-
Due to other funds	28,595	80,500	68,998	-	1,410
Retainage payable	-	-	-	-	-
Sundry payables	-	-	125,761	312,270	-
Unearned revenue	-	-	-	-	-
Total liabilities	35,305	1,097,495	261,854	329,908	2,390
Fund balances:					
Non Spendable					
Other assets	-	-	2,500	4,900	-
Restricted					
Police	-	-	-	1,313,156	-
Parks and recreation	-	-	-	-	-
Community development	-	6,752,566	5,689,341	-	298,830
Public works	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Unassigned	(4,848)	-	-	-	-
Total fund balances	(4,848)	6,752,566	5,691,841	1,318,056	298,830
Total liabilities and fund balances	$ 30,457	7,850,061	5,953,695	1,647,964	301,220

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

Special Revenue Funds					
Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	TIF Fund	Convention Center Complex
697	1,040,651	-	630,762	40,946,205	21
-	199,149	-	-	-	-
-	-	-	-	-	1,986,789
-	30	-	-	12,670	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	16,288	77,393	-	-
-	500	-	3,000	-	-
697	1,240,330	16,288	711,155	40,958,875	1,986,810
-	7,699	-	4,781	217,169	-
-	-	10,677	-	-	-
-	-	5,611	-	299	-
-	-	-	-	-	-
-	-	-	-	-	-
697	-	-	405,141	-	-
697	7,699	16,288	409,922	217,468	-
-	500	-	3,000	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	40,741,407	1,986,810
-	-	-	-	-	-
-	1,232,131	-	298,233	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,232,631	-	301,233	40,741,407	1,986,810
697	1,240,330	16,288	711,155	40,958,875	1,986,810

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

	Special Revenue Funds				
	Entertainment Venue	Museum Fund	HUD Grants	Library Grant Fund	Misc. Special Revenue
Assets					
Cash and cash equivalents	$ 7,789,307	3,667,811	27,530	-	226,529
Investments	1,033,307	-	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	1,409,783	88,111	-	-	-
Accrued interest	3,930	-	-	-	-
Accounts receivable	-	-	-	-	292
Real estate held for resale	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	899,070	46,365	-
Prepaids	41,667	100	195	1,500	-
Total assets	10,277,994	3,756,022	926,795	47,865	226,821
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	1,995	1,268	70,604	-	1,132
Accrued wages and benefits	-	6,200	31,470	-	-
Due to other funds	-	3,524	801,907	8,496	-
Retainage payable	-	-	-	-	-
Sundry payables	-	-	-	-	-
Unearned revenue	-	-	691,323	-	28,078
Total liabilities	1,995	10,992	1,595,304	8,496	29,210
Fund balances:					
Non Spendable					
Other assets	41,667	100	195	1,500	-
Restricted					
Police	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	10,234,332	3,744,930	-	-	-
Public works	-	-	-	-	-
Other purposes	-	-	-	37,869	197,611
Assigned					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Unassigned	-	-	(668,704)	-	-
Total fund balances	10,275,999	3,745,030	(668,509)	39,369	197,611
Total liabilities and fund balances	10,277,994	3,756,022	926,795	47,865	226,821

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

Special Revenue Funds				
Emergency Management Grants	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	2,089,842	182,888	233,275	69,137,310
-	-	-	-	1,431,869
-	-	-	102,473	6,446,499
-	-	-	-	20,271
-	350,706	-	-	727,458
-	-	56,213	-	56,213
-	-	-	-	4,891
112,018	-	-	-	1,181,591
-	-	-	-	54,362
112,018	2,440,548	239,101	335,748	79,060,464
1	804,786	-	-	1,959,417
4,812	7,045	-	-	319,640
104,844	-	-	-	1,104,184
-	-	-	-	-
-	-	-	-	438,031
14,589	-	-	-	1,139,828
124,246	811,831	-	-	4,961,100
-	-	-	-	54,362
-	-	-	-	1,313,156
-	-	-	-	-
-	-	239,101	335,748	70,023,065
-	1,628,717	-	-	1,628,717
-	-	-	-	1,765,844
				-
-	-	-	-	-
-	-	-	-	-
(12,228)	-	-	-	(685,780)
(12,228)	1,628,717	239,101	335,748	74,099,364
112,018	2,440,548	239,101	335,748	79,060,464

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016

	Capital Project Funds				
	Storm Sewer	Park Improve-ment	Fire Station	Library	Criminal Justice
Assets					
Cash and cash equivalents	$ 9,289,334	1,837,582	5,195,469	-	257,588
Investments	1,994,083	997,350	-	-	-
Receivables (net of allowance for doubtful accounts):					
Taxes	-	-	-	-	-
Accrued interest	3,691	668	1,694	-	-
Accounts receivable	-	-	-	-	-
Real estate held for resale	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaids	-	-	-	-	-
Total assets	$ 11,287,108	2,835,600	5,197,163	-	257,588
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 418,299	2,056	109,174	-	107,464
Accrued wages and benefits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Retainage payable	211,002	-	87,969	-	-
Sundry payables	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	629,301	2,056	197,143	-	107,464
Fund balances:					
Non Spendable					
Other assets	-	-	-	-	-
Restricted for:					
Police	-	-	-	-	-
Parks and recreation	-	2,833,544	-	-	-
Community development	-	-	-	-	-
Public works	10,657,807	-	-	-	-
Other purposes	-	-	5,000,020	-	150,124
Assigned to:					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	-	-
Other capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	10,657,807	2,833,544	5,000,020	-	150,124
Total liabilities and fund balances	$ 11,287,108	2,835,600	5,197,163	-	257,588

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

Capital Project Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
-	1,143,185	422,561	538,367	5,384,127	6,167,092
-	498,260	-	498,894	997,350	10,968,511
-	-	-	-	-	-
-	13	-	801	1,056	7,330
-	-	-	-	479,377	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,641,458	422,561	1,038,062	6,861,910	17,142,933
-	131,548	-	-	422,325	152,250
-	-	-	-	-	-
6,416	-	-	-	-	-
-	14,309	-	-	56,416	-
-	-	-	-	-	-
-	-	-	-	1,604,284	-
6,416	145,857	-	-	2,083,025	152,250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	422,561	-	-	16,990,683
	1,495,601	-	1,038,062	-	-
-	-	-	-	1,863,765	-
-	-	-	-	2,628,387	-
-	-	-	-	286,733	-
(6,416)	-	-	-	-	-
(6,416)	1,495,601	422,561	1,038,062	4,778,885	16,990,683
-	1,641,458	422,561	1,038,062	6,861,910	17,142,933

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

	Capital Project Funds			
	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	Animal Shelter
Assets				
Cash and cash equivalents	$ 10,889,326	5,467,220	20,226	-
Investments	-	5,988,079	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	-	-	-
Accrued interest	4,595	9,087	-	-
Accounts receivable	-	-	-	-
Real estate held for resale	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Total assets	10,893,921	11,464,386	20,226	-
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	3,509,189	-	-	-
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	-
Sundry payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	3,509,189	-	-	-
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted for:				
Police	-	-	-	-
Parks and recreation	-	-	-	-
Community development	7,384,732	11,464,386	-	-
Public works	-	-	-	-
Other purposes	-	-	20,226	-
Assigned to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	7,384,732	11,464,386	20,226	-
Total liabilities and fund balances	10,893,921	11,464,386	20,226	-

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2016
(Continued)

Capital Project Funds						
Infrastructure Fund	Gateway Development	PID #1 Bridges	PID #2 Ranchview	PID #3 Parkside	Total nonmajor capital project funds	Total Nonmajor Governmental Funds
-	1,460,049	-	-	2,489,820	50,561,946	$ 119,699,256
-	2,413,117	-	-	-	24,355,644	25,787,513
-	-	-	-	-	-	6,446,499
-	2,505	-	-	796	32,236	52,507
-	-	-	-	-	479,377	1,206,835
-	-	-	-	-	-	56,213
-	-	-	-	-	-	4,891
-	-	-	-	-	-	1,181,591
-	-	-	-	-	-	54,362
-	3,875,671	-	-	2,490,616	75,429,203	154,489,667
-	-	-	-	16,623	4,868,928	6,828,345
-	-	-	-	-	-	319,640
-	-	-	-	-	6,416	1,110,600
-	-	-	-	-	369,696	369,696
-	-	-	-	-	-	438,031
-	-	-	-	-	1,604,284	2,744,112
-	-	-	-	16,623	6,849,324	11,810,424
-	-	-	-	-	-	54,362
-	-	-	-	-	-	1,313,156
-	-	-	-	-	2,833,544	2,833,544
-	-	-	-	-	18,849,118	88,872,183
-	3,875,671	-		2,473,993	34,420,715	36,049,432
-	-	-	-	-	7,704,033	9,469,877
-	-	-	-	-	1,863,765	1,863,765
-	-	-	-	-	2,628,387	2,628,387
-	-	-	-	-	286,733	286,733
-	-	-	-	-	(6,416)	(692,196)
-	3,875,671	-	-	2,473,993	68,579,879	142,679,243
-	3,875,671	-	-	2,490,616	75,429,203	$ 154,489,667

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Special Revenue Funds				
	Criminal Justice Grant	Irving Convention and Vistors Bureau	Irving Arts Center	Police Narcotics	Historical Preservation
Revenues:					
Taxes	$ -	8,158,726	4,605,849	-	143,135
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	479,889	106,567	-
Intergovernmental	146,540	-	-	49,168	-
Investment income	-	16,830	13,082	200	444
Miscellaneous	-	18,886	147,062	5,925	-
Total revenues	146,540	8,194,442	5,245,882	161,860	143,579
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	207,015	-	-	445,173	-
Fire	-	-	-	-	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	8,049,541	4,296,115	-	72,822
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Interest and other charges	-	-	-	-	-
Total expenditures	207,015	8,049,541	4,296,115	445,173	72,822
Excess (deficiency) of revenues over (under) expenditures	(60,475)	144,901	949,767	(283,313)	70,757
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	62,397	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	62,397	-	-	-	-
Net change in fund balances	1,922	144,901	949,767	(283,313)	70,757
Fund balances, beginning of year	(6,770)	6,607,665	4,742,074	1,601,369	228,073
Fund balances, end of year	$ (4,848)	6,752,566	5,691,841	1,318,056	298,830

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

Special Revenue Funds					
Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	TIF Fund	Convention Center Complex
-	-	-	-	-	6,773,427
-	251,524	-	-	-	-
-	-	-	-	-	-
52,304	-	191,782	273,589	10,000,571	-
-	550	-	-	98,155	240
-	137,166	-	-	-	-
52,304	389,240	191,782	273,589	10,098,726	6,773,667
-	-	-	4,036	-	-
52,304	-	302,142	50,213	-	-
-	-	-	2,857	-	-
-	-	-	111,495	-	-
-	-	-	-	-	-
-	63,233	-	1,962	-	-
-	-	-	-	-	-
-	-	-	41,937	1,543,177	-
-	-	-	-	-	-
-	-	-	73,317	-	-
-	-	-	-	-	-
52,304	63,233	302,142	285,817	1,543,177	-
-	326,007	(110,360)	(12,228)	8,555,549	6,773,667
-	-	-	-	-	-
-	-	-	-	-	-
-	-	110,360	-	6,607,380	-
-	(56,045)	-	-	(1,437,331)	(6,544,470)
-	(56,045)	110,360	-	5,170,049	(6,544,470)
-	269,962	-	(12,228)	13,725,598	229,197
-	962,669	-	313,461	27,015,809	1,757,613
-	1,232,631	-	301,233	40,741,407	1,986,810

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

	Special Revenue Funds				
	Entertainment Venue	Museum Fund	HUD Grants Fund	Library Grant Fund	Misc. Special Revenue
Revenues:					
Taxes	$ 5,725,422	357,839	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	3,744	-	-	-
Intergovernmental	-	-	2,740,572	68,845	-
Investment income	17,988	-	16	-	-
Miscellaneous	-	5,853	302,775	139,613	117,447
Total revenues	5,743,410	367,436	3,043,363	208,458	117,447
Expenditures:					
Current:					
General government	-	-	-	-	200
Police	-	-	-	-	825
Fire	-	-	-	-	1,845
Parks	-	-	-	-	109,238
Animal Services	-	-	-	-	8,932
Municipal court	-	-	-	-	-
Library	-	-	-	218,504	-
Community development	814,665	209,873	2,655,269	-	3,947
Drainage utilities	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Interest and other charges	-	-	-	-	-
Total expenditures	814,665	209,873	2,655,269	218,504	124,987
Excess (deficiency) of revenues over (under) expenditures	4,928,745	157,563	388,094	(10,046)	(7,540)
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	-	250,000	-	-	-
Transfers out	(4,517,821)	-	(37,072)	-	-
Total other financing sources (uses)	(4,517,821)	250,000	(37,072)	-	-
Net change in fund balances	410,924	407,563	351,022	(10,046)	(7,540)
Fund balances, beginning of year	9,865,075	3,337,467	(1,019,531)	49,415	205,151
Fund balances, end of year	10,275,999	3,745,030	(668,509)	39,369	197,611

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

Special Revenue Funds				
Emergency Management Grant	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	-	-	409,641	26,174,039
-	2,293,978	-	-	2,545,502
-	250	-	-	590,450
236,104	-	-	-	13,759,475
-	-	-	-	147,505
15	-	-	-	874,742
236,119	2,294,228	-	409,641	44,091,713
-	-	-	-	4,236
230,352	-	-	-	1,288,024
-	-	-	-	4,702
-	-	-	-	220,733
-	-	-	-	8,932
-	-	-	-	65,195
-	-	-	-	218,504
-	-	97,359	346,541	18,131,246
-	-	-	-	-
-	1,625,801	-	-	1,699,118
-	-	-	-	-
230,352	1,625,801	97,359	346,541	21,640,690
5,767	668,427	(97,359)	63,100	22,451,023
-	-	-	-	-
-	-	-	-	-
-	-	-	-	7,030,137
-	(534,155)	-	-	(13,126,894)
-	(534,155)	-	-	(6,096,757)
5,767	134,272	(97,359)	63,100	16,354,266
(17,995)	1,494,445	336,460	272,648	57,745,098
(12,228)	1,628,717	239,101	335,748	74,099,364

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016

	Capital Projects Funds				
	Storm Sewer	Park Improve-ment	Fire Station	Library	Criminal Justice
Revenues:					
Taxes	$ -	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	21,197	7,911	10,358	-	-
Miscellaneous	-	1,369	3,519	-	392
Total revenues	21,197	9,280	13,877	-	392
Expenditures:					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire	-	-	-	-	-
Parks	-	-	-	-	-
Animal services	-	-	-	-	-
Municipal court	-	-	-	-	-
Library	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	-	-	-
Debt Service					
Interest and other charges	79,967	1,741	25,253	193	-
Capital outlay	5,585,275	808,182	1,810,202	-	319,616
Total expenditures	5,665,242	809,923	1,835,455	193	319,616
Excess (deficiency) of revenues over (under) expenditures	(5,644,045)	(800,643)	(1,821,578)	(193)	(319,224)
Other financing sources (uses):					
Proceeds of general obligation and certificate of obligation bonds	8,397,506	330,239	2,651,844	-	-
Premium (discount) on bonds issued	1,179,248	46,375	372,394	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	9,576,754	376,614	3,024,238	-	-
Net change in fund balances	3,932,709	(424,029)	1,202,660	(193)	(319,224)
Fund balances, beginning of year	6,725,098	3,257,573	3,797,360	193	469,348
Fund balances, end of year	$ 10,657,807	2,833,544	5,000,020	-	150,124

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

Capital Projects Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	225	7,864
-	-	-	-	1,132,521	-
674	3,795	1,070	3,016	8,487	18,379
1,134	-	-	587	1,556,866	2,503
1,808	3,795	1,070	3,603	2,698,099	28,746
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,632	-	412,500	-	127,745
1,315,114	484,687	-	-	2,887,569	3,453,649
1,315,114	486,319	-	412,500	2,887,569	3,581,394
(1,313,306)	(482,524)	1,070	(408,897)	(189,470)	(3,552,648)
-	124,150	-	-	-	13,326,261
-	17,434	-	-	-	1,871,386
-	-	-	-	2,472,311	-
-	-	-	-	-	(923,317)
-	141,584	-	-	2,472,311	14,274,330
(1,313,306)	(340,940)	1,070	(408,897)	2,282,841	10,721,682
1,306,890	1,836,541	421,491	1,446,959	2,496,044	6,269,001
(6,416)	1,495,601	422,561	1,038,062	4,778,885	16,990,683

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	Animal Shelter
Revenues:	$			
Taxes	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	86,523	35,462	-	-
Miscellaneous	-	-	-	-
Total revenues	86,523	35,462	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Animal services	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	-	-	-	-
Capital outlay	24,496,998	29,150	5,550	1,024
Total expenditures	24,496,998	29,150	5,550	1,024
Excess (deficiency) of revenues over (under) expenditures	(24,410,475)	6,312	(5,550)	(1,024)
Other financing sources (uses):				
Proceeds of general obligation and certificate of obligation bonds	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(24,410,475)	6,312	(5,550)	(1,024)
Fund balances, beginning of year	31,795,207	11,458,074	25,776	1,024
Fund balances, end of year	7,384,732	11,464,386	20,226	-

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2016
(Continued)

Capital Projects Funds						
Infrastructure Fund	Gateway Development	PID #1 Bridges	PID #2 Ranchview	PID #3 Parkside	Total Capital Projects	Total Nonmajor Governmental Funds
-	-	-	-	-	-	26,174,039
-	-	-	-	-	-	2,545,502
-	-	-	-	-	8,089	598,539
-	-	-	-	-	1,132,521	14,891,996
-	13,874	-	-	8,293	219,039	366,544
-	-	-	-	-	1,566,370	2,441,112
-	13,874	-	-	8,293	2,926,019	47,017,732
-	-	-	-	-	-	4,236
-	-	-	-	-	-	1,288,024
-	-	-	-	-	-	4,702
-	-	-	-	-	-	220,733
-	-	-	-	-	-	8,932
-	-	-	-	-	-	65,195
-	-	-	-	-	-	218,504
-	-	-	-	-	-	18,131,246
-	-	-	-	-	-	1,699,118
-	-	-	-	-	649,031	649,031
10,203	-	-	-	1,212,899	42,420,118	42,420,118
10,203	-	-	-	1,212,899	43,069,149	64,709,839
(10,203)	13,874	-	-	(1,204,606)	(40,143,130)	(17,692,107)
-	-	-	-	-	24,830,000	24,830,000
-	-	-	-	-	3,486,837	3,486,837
-	-	10,000	76,139	-	2,558,450	9,588,587
-	-	(43,876)	(19,004)	-	(986,197)	(14,113,091)
-	-	(33,876)	57,135	-	29,889,090	23,792,333
(10,203)	13,874	(33,876)	57,135	(1,204,606)	(10,254,040)	6,100,226
10,203	3,861,797	33,876	(57,135)	3,678,599	78,833,919	136,579,017
-	3,875,671	-	-	2,473,993	68,579,879	142,679,243

(Concluded)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Criminal Justice Grant Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 249,025	146,540	(102,485)
Total revenues	249,025	146,540	(102,485)
Expenditures:			
Police	242,764	207,015	35,749
Total expenditures	242,764	207,015	35,749
Excess (deficiency) of revenues over (under) expenditures	6,261	(60,475)	(66,736)
Other financing sources:			
Transfers in	92,249	62,397	(29,852)
Total other financing sources:	92,249	62,397	(29,852)
Net change in fund balances	98,510	1,922	(96,588)
Fund balances, beginning of year	(5,341)	(6,770)	(1,429)
Fund balances, end of year	$ 93,169	(4,848)	(98,017)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Convention and Visitors Bureau Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 7,603,292	8,158,726	555,434
Investment income	2,350	16,830	14,480
Miscellaneous	45,000	18,886	(26,114)
Total revenues	7,650,642	8,194,442	543,800
Expenditures:			
Community Development	9,884,496	8,049,541	1,834,955
Total expenditures	9,884,496	8,049,541	1,834,955
Excess (deficiency) of revenues over (under) expenditures	(2,233,854)	144,901	2,378,755
Net change in fund balances	(2,233,854)	144,901	2,378,755
Fund balances, beginning of year	6,607,665	6,607,665	-
Fund balances, end of year	$ 4,373,811	6,752,566	2,378,755

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Irving Arts Center Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	4,219,447	4,605,849	386,402
Charges for services		437,036	479,889	42,853
Investment income		1,695	13,082	11,387
Miscellaneous		155,848	147,062	(8,786)
Total revenues		4,814,026	5,245,882	431,856
Expenditures:				
Community Development		5,325,715	4,296,115	1,029,600
Total expenditures		5,325,715	4,296,115	1,029,600
Excess (deficiency) of revenues over (under) expenditures		(511,689)	949,767	1,461,456
Other financing uses:				
Transfers out		-	-	-
Total other financing uses		-	-	-
Net change in fund balances		(511,689)	949,767	1,461,456
Fund balances, beginning of year		4,742,074	4,742,074	-
Fund balances, end of year	$	4,230,385	5,691,841	1,461,456

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Police Narcotics Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Charges for services	$	55,000	106,567	51,567
Intergovernmental		150,000	49,168	(100,832)
Investment income		300	200	(100)
Miscellaneous		30,000	5,925	(24,075)
Total revenues		235,300	161,860	(73,440)
Expenditures:				
Police		537,686	445,173	92,513
Total expenditures		537,686	445,173	92,513
Deficiency of revenues under expenditures		(302,386)	(283,313)	19,073
Net change in fund balances		(302,386)	(283,313)	19,073
Fund balances, beginning of year		1,601,369	1,601,369	-
Fund balances, end of year	$	1,298,983	1,318,056	19,073

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Historical Preservation Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 134,268	143,135	8,867
Investment income	-	444	444
Total revenues	134,268	143,579	9,311
Expenditures:			
Community development	86,141	72,822	13,319
Total expenditures	86,141	72,822	13,319
Excess of revenues over expenditures	48,127	70,757	22,630
Net change in fund balances	48,127	70,757	22,630
Fund balances, beginning of year	228,073	228,073	-
Fund balances, end of year	$ 276,200	298,830	22,630

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Local Law Enforcement Block Grant Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 99,001	52,304	(46,697)
Total revenues	99,001	52,304	(46,697)
Expenditures:			
Police	99,001	52,304	46,697
Total expenditures	99,001	52,304	46,697
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Municipal Court Security Fees Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Fines	$ 444,000	251,524	(192,476)
Miscellaneous	80,338	137,166	56,828
Investment income	-	550	550
Total revenues	524,338	389,240	(135,098)
Expenditures:			
Municipal court	284,830	63,233	221,597
Total expenditures	284,830	63,233	221,597
Excess of revenues over expenditures	239,508	326,007	86,499
Other financing uses:			
Transfers out	(58,489)	(56,045)	(2,444)
Total other financing uses:	(58,489)	(56,045)	(2,444)
Net change in fund balances	181,019	269,962	84,055
Fund balances, beginning of year	962,669	962,669	-
Fund balances, end of year	$ 1,143,688	1,232,631	84,055

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Texas Highway Safety Grant Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 376,077	191,782	(184,295)
Total revenues	376,077	191,782	(184,295)
Expenditures:			
Police	407,855	302,142	105,713
Total expenditures	407,855	302,142	105,713
Deficiency of revenues under expenditures	(31,778)	(110,360)	(78,582)
Other financing sources:			
Transfers in	140,778	110,360	(30,418)
Total other financing sources:	140,778	110,360	(30,418)
Net change in fund balances	109,000	-	(109,000)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ 109,000	-	(109,000)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Miscellaneous Grants Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 1,117,454	273,589	(843,865)
Miscellaneous grant revenue	441,974	-	(441,974)
Total revenues	1,559,428	273,589	(1,285,839)
Expenditures:			
General government	110,922	4,036	106,886
Police	571,246	50,213	521,033
Fire	11,851	2,857	8,994
Parks	91,560	111,495	(19,935)
Community development	692,949	41,937	651,012
Municipal court	10,676	1,962	8,714
Public works	73,317	73,317	-
Animal services	64,869	-	64,869
Total expenditures	1,627,390	285,817	1,341,573
Deficiency of revenues under expenditures	(67,962)	(12,228)	55,734
Net change in fund balances	(67,962)	(12,228)	55,734
Fund balances, beginning of year	313,461	313,461	-
Fund balances, end of year	$ 245,499	301,233	55,734

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – TIF Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	877,145	874,343	(2,802)
Intergovernmental		5,495,993	9,126,228	3,630,235
Investment income		4,800	98,155	93,355
Total revenues		6,377,938	10,098,726	3,720,788
Expenditures:				
Community development		6,108,480	1,543,177	4,565,303
Total expenditures		6,108,480	1,543,177	4,565,303
Excess of revenues over expenditures		269,458	8,555,549	8,286,091
Other financing sources (uses):				
Transfers in		6,826,420	6,607,380	(219,040)
Transfers out		(1,437,473)	(1,437,331)	142
Total other financing sources (uses)		5,388,947	5,170,049	(218,898)
Net change in fund balances		5,658,405	13,725,598	8,067,193
Fund balances, beginning of year		27,015,809	27,015,809	-
Fund balances, end of year	$	32,674,214	40,741,407	8,067,193

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Convention Center Complex Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 5,998,700	6,773,427	774,727
Investment income	500	240	(260)
Total revenues	5,999,200	6,773,667	774,467
Expenditures:			
Community development	4,500	-	4,500
Total expenditures	4,500	-	4,500
Excess of revenues over expenditures	5,994,700	6,773,667	778,967
Other financing uses:			
Transfers out	(6,259,632)	(6,544,470)	(284,838)
Total other financings uses	(6,259,632)	(6,544,470)	(284,838)
Net change in fund balances	(264,932)	229,197	494,129
Fund balances, beginning of year	1,757,613	1,757,613	-
Fund balances, end of year	$ 1,492,681	1,986,810	494,129

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Entertainment Venue Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	5,370,700	5,725,422	354,722
Investment income		2,801	17,988	15,187
Total revenues		5,373,501	5,743,410	369,909
Expenditures:				
Community development		2,514,244	814,665	1,699,579
Total expenditures		2,514,244	814,665	1,699,579
Excess of revenues over expenditures		2,859,257	4,928,745	2,069,488
Other financing uses:				
Transfers in		-	-	-
Transfers out		(4,521,721)	(4,517,821)	3,900
Total other financing uses:		(4,521,721)	(4,517,821)	3,900
Net change in fund balances		(1,662,464)	410,924	2,073,388
Fund balances, beginning of year		9,865,075	9,865,075	-
Fund balances, end of year	$	8,202,611	10,275,999	2,073,388

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Museum Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 325,183	357,839	32,656
Charges for services	7,000	3,744	(3,256)
Investment income	200	-	(200)
Miscellaneous	5,400	5,853	453
Total revenues	337,783	367,436	29,653
Expenditures:			
Community development	273,837	209,873	63,964
Total expenditures	273,837	209,873	63,964
Excess of revenues over expenditures	63,946	157,563	93,617
Other financing sources:			
Transfers in	250,000	250,000	-
	250,000	250,000	-
Net change in fund balances	313,946	407,563	93,617
Fund balances, beginning of year	3,337,467	3,337,467	-
Fund balances, end of year	$ 3,651,413	3,745,030	93,617

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – HUD Grants Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	8,295,918	2,740,572	(5,555,346)
Miscellaneous:				
Program income		66,545	299,655	233,110
Donations		5,087	3,120	(1,967)
Interest Income		-	16	16
Total revenues		8,367,550	3,043,363	(5,324,187)
Expenditures:				
Community development		8,351,204	2,655,269	5,695,935
Total expenditures		8,351,204	2,655,269	5,695,935
Excess of revenues over expenditures		16,346	388,094	371,748
Other financing uses:				
Transfers out		(127,463)	(37,072)	90,391
Total other financing uses		(127,463)	(37,072)	90,391
Net change in fund balances		(111,117)	351,022	462,139
Fund balances, beginning of year		(1,019,531)	(1,019,531)	-
Fund balances, end of year	$	(1,130,648)	(668,509)	462,139

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Library Grant Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	107,271	68,845	(38,426)
Miscellaneous		12,151	-	(12,151)
Other grant revenue		166,816	82,838	(83,978)
Donations		56,775	56,775	-
Total revenues		343,013	208,458	(134,555)
Expenditures:				
Library		295,842	218,504	77,338
Total expenditures		295,842	218,504	77,338
Excess (deficiency) of revenues over (under) expenditures		47,171	(10,046)	(57,217)
Net change in fund balances		47,171	(10,046)	(57,217)
Fund balances, beginning of year		49,415	49,415	-
Fund balances, end of year	$	96,586	39,369	(57,217)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Miscellaneous Special Revenue Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	$	462,444	117,447	(344,997)
Total revenues		462,444	117,447	(344,997)
Expenditures:				
General government		67,594	200	67,394
Fire		36,968	1,845	35,123
Animal services		122,402	8,932	113,470
Parks		110,840	109,238	1,602
Municipal court		3,463	-	3,463
Community development		145,246	4,772	140,474
Total expenditures		486,513	124,987	361,526
Deficiency of revenues over expenditures		(24,069)	(7,540)	16,529
Net change in fund balances		(24,069)	(7,540)	16,529
Fund balances, beginning of year		205,151	205,151	-
Fund balances, end of year	$	181,082	197,611	16,529

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Emergency Management Grant Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	236,718	235,189	(1,529)
Program income		-	915	915
Miscellaneous Income		-	15	15
Total revenues		236,718	236,119	(599)
Expenditures:				
Police		206,524	230,352	(23,828)
Total expenditures		206,524	230,352	(23,828)
Excess of revenues over expenditures		30,194	5,767	(24,427)
Net change in fund balances		30,194	5,767	(24,427)
Fund balances, beginning of year		(17,995)	(17,995)	-
Fund balances, end of year	$	12,199	(12,228)	(24,427)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Red Light Enforcement Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Fines, forfeitures, and penalities	$	1,500,000	2,293,978	793,978
Charges for services		-	250	250
Total revenues		1,500,000	2,294,228	794,228
Expenditures:				
Traffic		1,856,631	1,625,801	230,830
Total expenditures		1,856,631	1,625,801	230,830
Excess (deficiency) of revenues over (under) expenditures		(356,631)	668,427	1,025,058
Other financing uses:				
Transfers out		(534,155)	(534,155)	-
Total other financing uses		(534,155)	(534,155)	-
Net change in fund balances		(890,786)	134,272	1,025,058
Fund balances, beginning of year		1,494,445	1,494,445	-
Fund balances, end of year	$	603,659	1,628,717	1,025,058

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Housing Finance Corporation Fund

Year ended September 30, 2016

		Budget	Actual	Variance positive (negative)
Revenues:				
Sale of Property	$	-	-	-
Total revenues		-	-	-
Expenditures:				
Community development		-	97,359	(97,359)
Total expenditures		-	97,359	(97,359)
Deficiency of revenues under expenditures		-	(97,359)	(97,359)
Net change in fund balances		-	(97,359)	(97,359)
Fund balances, beginning of year		336,460	336,460	-
Fund balances, end of year	$	336,460	239,101	(97,359)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – PEG Fee Fund

Year ended September 30, 2016

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 375,000	409,641	34,641
Total revenues	375,000	409,641	34,641
Expenditures:			
Community development	355,927	346,541	9,386
Total expenditures	355,927	346,541	9,386
Excess of revenues over expenditures	19,073	63,100	44,027
Net change in fund balances	19,073	63,100	44,027
Fund balances, beginning of year	272,648	272,648	-
Fund balances, end of year	$ 291,721	335,748	44,027

IRVING
TEXAS

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department for another. The City's Internal Service Funds are as follows:

Garage and Equipment Replacement – This fund is to account for the repair, maintenance, and replacement of all City vehicles. The Garage and Equipment Replacement Fund accounts for all City vehicles, and charges user departments for the costs of servicing and replacing City vehicles. The charges are allocated to the various departments in proportion to the number and types of vehicles operated by the department and in proportion to the extent of the use of the maintenance service.

Self-Insurance – This fund is to account for the City's self–insurance programs. The City is self-insured for workers' compensation, general liability, auto physical damage, and employees' medical benefits for those who elect the City's coverage. The City's group life insurance coverage is also included in this fund for financial reporting convenience.

Computer Replacement – This fund is to provide for the replacement of City computers. The individual departments transfer money into this fund each year based on depreciation.

City of Irving, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2016

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 7,887,793	6,489,690	697,999	15,075,482
Investments	2,989,541	16,956,857	2,486,342	22,432,740
Accrued interest	4,461	26,065	8,683	39,209
Inventories, at cost	122,184	-	-	122,184
Total current assets	11,003,979	23,472,612	3,193,024	37,669,615
Noncurrent assets:				
Capital assets:				
Buildings	147,980	-	-	147,980
Equipment	52,144,031	-	8,385,695	60,529,726
Construction in progress	3,481,309	-	-	3,481,309
Less: accumulated depreciation	(36,446,678)	-	(7,855,516)	(44,302,194)
Total noncurrent assets	19,326,642	-	530,179	19,856,821
Total assets	30,330,621	23,472,612	3,723,203	57,526,436
Deferred outflows of resources				
City contributions made after measurerment date	233,676	-	-	233,676
Difference in projected and actual earnings of pension plan investments	477,870	-	-	477,870
Difference in assumptions	138,542	-	-	138,542
Difference in expected and actual experience	822	-	-	822
Total deferred outflow of resources	850,910	-	-	850,910
Liabilities				
Current liabilities:				
Accounts payable	411,658	124,798	53,842	590,298
Accrued wages and benefits	71,323	-	-	71,323
Lease payable	598,928	-	-	598,928
Estimated liability for unpaid claims	-	6,120,138	-	6,120,138
Total current liabilities	1,081,909	6,244,936	53,842	7,380,687
Noncurrent liabilities, net of current portion:				
Estimated liability for unpaid claims	-	3,278,065	-	3,278,065
OPEB payable	289,379	-	-	289,379
Net Pension Liabilities	1,468,261	-	-	1,468,261
Lease payable	1,630,233	-	-	1,630,233
Total noncurrent liabilities	3,387,873	3,278,065	-	6,665,938
Total liabilities	4,469,782	9,523,001	53,842	14,046,625
Deferred inflows of resources				
Difference in expected and actual experience	53,948	-	-	53,948
Net Position				
Net investment in capital assets	19,326,642	-	530,179	19,856,821
Unrestricted	7,331,159	13,949,611	3,139,182	24,419,952
Total net position	$ 26,657,801	13,949,611	3,669,361	44,276,773

City of Irving, Texas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year ended September 30, 2016

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Operating revenues:				
Charges for services	$ 11,271,261	36,281,933	1,026,734	48,579,928
Miscellaneous	95,125	153,538	479,871	728,534
Total operating revenues	11,366,386	36,435,471	1,506,605	49,308,462
Operating expenses:				
Personnel services	1,690,147	-	-	1,690,147
Supplies	4,057,599	-	1,040,737	5,098,336
Maintenance	123,908	-	-	123,908
Depreciation	3,986,343	-	257,220	4,243,563
Claims	-	26,306,055	-	26,306,055
Insurance premiums	-	2,228,614	-	2,228,614
Other	196,041	1,473,456	308,419	1,977,916
Total operating expenses	10,054,038	30,008,125	1,606,376	41,668,539
Operating income (loss)	1,312,348	6,427,346	(99,771)	7,639,923
Nonoperating revenues:				
Investment income	20,086	62,953	14,162	97,201
Interest expense	(4,065)	-	-	(4,065)
Gain on sale of capital assets	211,233	-	-	211,233
Total nonoperating revenue	227,254	62,953	14,162	304,369
Income (loss)	1,539,602	6,490,299	(85,609)	7,944,292
Change in net position	1,539,602	6,490,299	(85,609)	7,944,292
Net position, beg of year	25,118,199	7,459,312	3,754,970	36,332,481
Net position, end of year	$ 26,657,801	13,949,611	3,669,361	44,276,773

City of Irving, Texas
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2016

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Cash flows from operating activities:				
Receipts from customers	$ 11,289,456	36,281,933	1,506,605	49,077,994
Payments to suppliers for goods, services and claims	(6,348,982)	(27,732,811)	(1,766,767)	(35,848,560)
Payments to employees	(1,576,250)	-	-	(1,576,250)
Other receipts	95,125	153,538	-	248,663
Other payments	-	(1,473,456)	-	(1,473,456)
Net cash provided by (used in) operating activities	3,459,349	7,229,204	(260,162)	10,428,391
Cash flows from capital and related financing activities:				
Principal payment on lease payable	(302,814)	-	-	(302,814)
Interest payment on lease payable	(4,065)	-	-	(4,065)
Proceeds from sale of capital assets	211,233	-	-	211,233
Acquisitions of capital assets	(6,439,096)	-	-	(6,439,096)
Net cash used in capital and related financing activities	(4,458,204)	-	-	(4,458,204)
Cash flows from investing activities:				
Interest on investments	20,261	43,347	6,384	69,992
Purchase of investments	(6,985,163)	(23,437,265)	(3,982,350)	(34,404,778)
Maturities of investments	8,988,887	17,261,916	2,993,999	29,244,802
Net cash provided by (used in) investing activities	2,023,985	(6,132,002)	(981,967)	(5,089,984)
Net increase (decrease) in cash and cash equivalents	1,025,130	1,097,202	(1,242,129)	880,203
Cash and cash equivalent, beginning of the year	6,862,663	5,392,488	1,940,128	14,195,279
Cash and cash equivalent, end of the year	$ 7,887,793	6,489,690	697,999	15,075,482

(continued)

City of Irving, Texas
Combining Statement of Cash Flows -
Reconciliation of Operating Income
Internal Service Funds
Year ended September 30, 2016

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 1,312,348	6,427,346	(99,771)	7,639,923
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: operating activities:				
Depreciation	3,986,343	-	257,220	4,243,563
Changes in assets and liabilities:				
Decrease in accounts receivable	18,195	-	-	18,195
(Increase) in inventories	(6,038)	-	-	(6,038)
(Increase) in city contributions made after measurement date	(6,675)	-	-	(6,675)
(Increase) in difference in projected and actual earnings of pension plan investments	(346,823)	-	-	(346,823)
(Increase) in difference in assumptions	(138,542)	-	-	(138,542)
(Increase) in difference in expected and annual experience	(822)	-	-	(822)
(Decrease) in accounts payable	(1,965,396)	(3,568)	(417,611)	(2,386,575)
(Decrease) in accrued wages and benefits	(22,591)	-	-	(22,591)
Increase in estimated liability for unpaid claims	-	805,426	-	805,426
Increase in OPEB payable	37,468	-	-	37,468
Increase in net pension liability	586,906	-	-	586,906
Increase in difference in expected and actual experience	4,976	-	-	4,976
Total adjustments	2,147,001	801,858	(160,391)	2,788,468
Net cash provided by (used in) operating activities	$ 3,459,349	7,229,204	(260,162)	10,428,391

(concluded)

IRVING
TEXAS

Trust and Agency Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Funds are as follows:

Pension Trust Funds

Supplemental Benefit Plan – This fund is to account for funds held to provide retirement income to City employees. The plan is funded through contributions from the City and employees' payroll deductions. The plan was established to provide retirement income to supplement benefits provided through the Texas Municipal Retirement System.

Voluntary Employee Beneficiary Association – This fund is to account for funds held to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. Funds can also be used to offset active employee health insurance premiums. The plan is funded through contributions from the City.

Agency Funds

Cash Bond – This fund is to account for cash bonds posted by an individual accused of committing a crime. The amount of the bond will be sufficient to cover any potential fines. The bonds of those who fail to appear are forfeited and recorded as General Fund revenues. Bonds of those who do appear are returned, net of any penalties or fines.

CITY OF IRVING, TEXAS

Combining Statement of Plan Net Position - Pension Trust Funds

Year ended September 30, 2016

	Pension Trust Funds		
Assets	Supplemental Benefit Plan	Voluntary Employee Beneficiary Association	Total
Cash and cash equivalents	$ 1,718,381	282,301	2,000,682
Interest receivable on investments	23	-	23
Investments, at fair value			
U.S. Government securities	2,955,515	-	2,955,515
Common stock	19,071,472	-	19,071,472
Preferred stock	2,384,077	-	2,384,077
Alternative investment/hedge fund	16,729,728	-	16,729,728
Mutual funds	4,583,709	-	4,583,709
Corporate bonds	4,936,283	-	4,936,283
Municipal Obligation	312,275	-	312,275
Total assets	52,691,463	282,301	52,973,764
Net Position			
Held in trust for pension benefits and other purposes	$ 52,691,463	282,301	52,973,764

CITY OF IRVING, TEXAS

Statement of Changes in Plan Net Position - Pension Trust Funds

Year ended September 30, 2016

	Pension Trust Funds		
	Supplemental Benefits Plan	Voluntary Employee Beneficiary Association	Total
ADDITIONS:			
Employee contributions	$ 2,550,702	-	2,550,702
Employer contributions	1,938,396	-	1,938,396
Investment income			
Net increase in fair value of investments	1,895,804	-	1,895,804
Interest Income	842,644	-	842,644
Total investment income	2,738,448	-	2,738,448
Less investment expense	(306,174)	-	(306,174)
Net investment income (loss)	2,432,274	-	2,432,274
Total additions	6,921,372	-	6,921,372
DEDUCTIONS:			
Benefits and refunds paid	3,181,709	65,306	3,247,015
Administrative costs	167,043	-	167,043
Total deductions	3,348,752	65,306	3,414,058
Net change in plan net position	3,572,620	(65,306)	3,507,314
Plan net position, beginning of year	49,118,843	347,607	49,466,450
Plan net position, end of year	$ 52,691,463	282,301	52,973,764

CITY OF IRVING, TEXAS

Statement of Changes in Assets and Liabilities - Agency Fund

Year ended September 30, 2016

Cash Bond Fund		Balance September 30, 2015	Additions	Deductions	Balance September 30, 2016
Assets:					
Cash and cash equivalents	$	33,120	579,674	563,844	48,950
Total assets	$	33,120	579,674	563,844	48,950
Liabilities:					
Sundry payables	$	33,120	708,940	693,110	48,950
Total liabilities	$	33,120	708,940	693,110	48,950

CITY OF IRVING, TEXAS

Statistical Section (Unaudited)

This part of the City of Irving's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	150
These schedules contain trend information to help the readers understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	160
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	166
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	171
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	176
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF IRVING, TEXAS

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Governmental activities:					
Net investment in capital assets	$ 332,848	$ 364,411	$ 371,723	$ 337,116	$ 336,269
Restricted	53,843	54,444	54,492	48,376	47,770
Unrestricted	50,497	55,007	52,171	25,699	32,383
Total governmental activities net position	$ 437,188	$ 473,862	$ 478,386	$ 411,191	$ 416,422
Business-type activities:					
Net investment in capital assets	$ 199,265	$ 202,704	$ 208,630	$ 251,247	$ 253,903
Restricted	18,490	16,662	9,482	9,558	10,420
Unrestricted	30,240	35,202	41,557	39,529	54,309
Total business-type activities net position	$ 247,995	$ 254,568	$ 259,669	$ 300,334	$ 318,632
Primary government:					
Net investment in capital assets	$ 532,113	$ 567,115	580,353	$ 588,363	$ 590,172
Restricted	72,333	71,107	63,974	57,934	58,190
Unrestricted	80,737	90,209	93,728	65,228	86,692
Total primary government net position	$ 685,183	$ 728,431	$ 738,055	$ 711,525	$ 735,054

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt issuance now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

2012	2013	2014	2015	2016
$ 313,508	$ 307,145	$ 287,777	$ 302,297	$ 306,679
57,316	66,824	78,508	89,993	107,018
35,147	42,383	31,746	(23,930)	(30,480)
$ 405,971	$ 416,352	$ 398,031	$ 368,360	$ 383,218
$ 262,333	$ 268,767	$ 273,032	$ 290,324	$ 312,096
10,618	11,341	11,093	11,103	11,332
65,000	73,204	78,761	68,523	61,751
$ 337,951	$ 353,312	$ 362,886	$ 369,950	$ 385,179
$ 575,841	$ 575,912	$ 560,809	$ 592,621	$ 618,775
67,934	78,165	89,601	101,097	118,350
100,147	115,587	110,507	44,592	31,271
$ 743,922	$ 769,665	$ 760,917	$ 738,310	$ 768,396

CITY OF IRVING, TEXAS

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	$ 44,315	$ 48,229	$ 55,249	$ 31,975	$ 34,892
Police	43,604	52,541	56,752	58,015	54,712
Fire	30,050	33,480	35,732	36,256	36,349
Public health & environmental services	8,352	8,390	8,259	-	-
Animal Services	-	1,014	1,172	1,316	925
Parks and recreation	13,515	15,680	15,853	19,161	15,304
Municipal court	2,985	3,159	3,079	3,183	3,036
Library	6,559	7,416	7,317	7,107	6,488
Community development	23,884	24,040	30,081	42,752	32,656
Drainage utilities	3,984	4,685	5,013	-	-
Public works	19,195	23,656	33,100	33,706	25,185
Interest on long-term debt	8,817	9,186	15,554	16,601	16,900
Total governmental activities expenses	205,260	231,476	267,161	250,072	226,447
Business-type activities:					
Water and sanitary sewer	67,022	70,185	70,415	72,151	68,401
Solid waste	-	-	-	10,562	10,087
Municipal Drainage	-	-	-	6,205	5,249
Total business-type activities expenses	67,022	70,185	70,415	88,918	83,737
Total primary government expenses	$ 272,282	$ 301,661	$ 337,576	$ 338,990	$ 310,184
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	$ 6,996	$ 12,922	7,795	$ 3,787	$ 4,449
Police	2,193	2,908	5,020	5,276	5,203
Fire	1,975	2,305	2,050	3,954	3,695
Public health & environmental services	10,386	10,518	10,941	-	-
Municipal court	8,138	8,976	8,804	7,972	7,459
Community development	3,895	3,274	5,195	8,020	3,890
Drainage Utilities	3,769	4,401	5,144	-	-
Other	1,867	2,282	2,059	2,344	2,362
Operating grants and contributions	7,141	8,779	9,804	12,021	12,997
Capital grants and contributions	7,545	4,184	14,256	1,987	6,631
Total governmental activities program revenues	53,905	60,549	71,068	45,361	46,686
Business-type activities:					
Charges for services:					
Water and sewer	62,085	71,659	75,901	75,513	85,404
Solid waste	-	-	-	10,483	11,204
Municipal Drainage	-	-	-	5,209	5,247
Capital grants and contributions	2,776	2,306	3,475	497	1,405
Total business-type activities program revenues	64,861	73,965	79,376	91,702	103,260
Total primary government program revenues	$ 118,766	$ 134,514	$ 150,444	$ 137,063	$ 149,946

(continued)

2012	2013	2014	2015	2016
$ 35,741	$ 36,685	$ 31,865	$ 40,429	$ 42,468
53,943	56,113	56,605	73,179	61,715
37,142	39,778	39,457	40,783	47,935
-	-	-	-	-
892	1,291	1,380	1,754	1,693
15,508	15,738	16,640	20,323	19,288
2,918	2,920	2,923	3,697	2,996
6,448	6,391	6,844	8,829	8,085
27,393	23,482	37,323	35,564	35,217
-	-	-	-	-
25,945	26,857	33,786	30,365	30,045
16,283	20,305	20,530	20,465	20,281
222,213	229,560	247,353	275,387	269,724
66,593	70,189	75,350	82,733	83,728
10,541	10,928	10,951	12,477	12,230
5,177	5,445	5,651	6,749	5,775
82,311	86,562	91,953	101,959	101,734
$ 304,524	$ 316,122	339,306	377,347	371,457
$ 4,430	$ 5,631	$ 5,173	$ 6,409	$ 5,274
5,588	5,705	5,576	5,000	5,822
4,076	4,130	3,953	4,217	4,683
-	-	-	-	-
8,743	7,810	7,470	6,509	4,953
1,382	1,349	1,535	1,563	2,657
-	-	-	-	-
2,388	2,448	2,755	2,656	3,204
10,686	11,190	11,159	12,815	13,759
1,694	2,174	2,842	7,041	5,928
38,987	40,437	40,463	46,210	46,282
84,382	85,157	82,397	84,826	92,380
11,238	11,130	11,716	12,449	13,149
5,242	5,250	5,527	5,241	5,234
1,543	1,054	2,257	5,676	6,391
102,405	102,591	101,897	108,192	117,154
$ 141,392	$ 143,028	$ 142,360	$ 154,401	$ 163,435

(continued)

City of Irving, Texas

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Net (Expenses)/Program Revenues					
Governmental activities	$ (151,355)	$ (170,927)	$ (196,093)	$ (204,711)	$ (179,761)
Business-type activities	(2,161)	3,780	8,961	2,784	19,523
Total primary government net expenses	(153,516)	(167,147)	(187,132)	(201,927)	(160,238)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	84,888	92,875	98,044	94,175	96,490
Sales taxes	46,896	50,650	47,390	44,311	48,212
Gross receipts taxes	16,855	18,933	26,706	19,108	19,961
Hotel / motel occupancy taxes	18,948	24,528	19,866	15,791	18,031
Other taxes and fees	-	-	-	-	-
Investment income	10,271	8,203	2,723	794	257
Miscellaneous	365	814	780	709	270
Special Item - landfill closure and post closure	-	-	-	(41,909)	-
Special Item - sale of real estate	2,000	7,515	-	-	-
Special Item - loss on loan commitment	-	-	-	-	-
Special Item - loss on development	-	-	-	-	-
Gain on sale of assets	-	4,082	295	248	404
Transfers	-	-	4,813	4,289	1,367
Total governmental activities	180,223	207,600	200,617	137,516	184,992
Business-type activities:					
Investment income	3,966	2,793	953	261	143
Special Item - landfill closure and post closure	-	-	-	41,909	-
Transfers	-	-	(4,813)	(4,290)	(1,367)
Total business-type activities	3,966	2,793	(3,860)	37,880	(1,224)
Total primary government	184,189	210,393	196,757	175,396	183,768
Change in Net Position					
Governmental activities	28,868	36,673	4,524	(67,195)	5,231
Business-type activities	1,805	6,573	5,101	40,664	18,299
Total primary government	$ 30,673	$ 43,246	$ 9,625	$ (26,531)	$ 23,530

(continued)

Note: In 2010, the governmental activities for public health & environmental services and drainage utilities were operated as business-type activities under solid waste and municipal drainage respectively.

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt now expensed at the time of Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

2012	2013	2014	2015	2016
$ (183,226)	$ (189,123)	$ (206,889)	$ (229,178)	$ (223,441)
20,094	16,029	9,945	6,233	15,420
(163,132)	(173,094)	(196,944)	(222,945)	(208,021)
99,163	103,374	106,352	112,750	124,478
48,067	53,214	56,356	64,626	65,247
19,130	19,316	20,041	19,964	20,110
18,939	20,869	22,977	24,617	25,764
-	-	-	-	-
177	233	204	250	917.50
1,761	1,561	1,372	1,156	1,005
-	-	-	-	-
-	-	-	-	-
(15,984)	-	-	-	-
-	-	(19,512)	-	-
626	114	276	162	211
896	825	500	500	566
172,775	199,506	188,566	224,025	238,299
121	157	130	124	375
-	-	-	-	-
(896)	(825)	(500)	(500)	(566)
(775)	(668)	(370)	(376)	(191)
172,000	198,838	188,196	223,649	238,107
(10,451)	10,383	(18,323)	(5,153)	14,857
19,319	15,361	9,575	5,857	15,229
$ 8,868	$ 25,744	$ (8,748)	$ 704	$ 30,086

(concluded)

CITY OF IRVING, TEXAS

Fund Balances of Governmental funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund:					
Non-spendable	$ -	$ -	$ -	$ -	$ 1,090
Reserved *	1,907	2,525	1,827	5,172	-
Committed	-	-	-	-	3,500
Assigned	-	-	-	-	13,244
Unreserved/unassigned	32,297	31,714	34,397	27,975	17,973
Total General Fund	$ 34,204	$ 34,239	$ 36,224	$ 33,147	$ 35,807
All other governmental funds:					
Non-Spendable	$ -	$ -	$ -	$ -	$ -
Reserved for:					
Encumbrances	22,144	51,274	111,551	33,799	-
Debt service	11,199	8,219	23,522	18,029	-
Unreserved, reported in:					
Special revenue funds	48,237	32,586	37,211	29,806	-
Capital projects	45,315	59,735	63,480	52,425	-
Restricted for:					
Debt service	-	-	-	-	19,518
Police	-	-	-	-	1,243
Parks and recreation	-	-	-	-	3,318
Library	-	-	-	-	5,017
Community development	-	-	-	-	38,926
Public works	-	-	-	-	26,443
Other purposes	-	-	-	-	3,792
Assigned to:					
Parks and recreation	-	-	-	-	1,688
Public works	-	-	-	-	4,064
Other capital projects	-	-	-	-	703
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 126,895	$ 151,814	$ 235,764	$ 134,059	$ 104,712

Note: Through fiscal year 2010 includes encumbrances, and noncurrent loan receivables and prepaid items.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal Year 2011.

Fiscal Year				
2012	2013	2014	2015	2016
$ 88	$ 60	$ 41	$ 174	$ 61
-	-	-	-	-
-	-	-	-	-
18,161	22,365	19,962	6,378	6,181
22,271	29,034	32,067	54,022	54,922
$ 40,520	$ 51,459	$ 52,070	$ 60,574	$ 61,164
$ -	$ -	$ -	$ -	$ 54
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
22,708	22,407	28,560	33,745	34,095
1,611	1,423	1,514	1,601	1,313
1,563	1,908	2,838	3,258	2,834
11,150	8,481	2,652	-	-
43,279	50,578	94,476	97,416	88,872
23,529	29,333	41,631	22,494	36,049
11,969	14,702	6,503	10,415	9,470
1,420	3,156	1,049	649	1,864
2,652	2,744	4,116	1,023	2,628
1,464	961	2,905	824	287
(724)	(1,274)	(1,170)	(1,101)	(692)
$ 120,621	$ 134,419	$ 185,074	$ 170,324	$ 176,774

CITY OF IRVING, TEXAS

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	$167,481	$186,792	$191,655	$173,530	$182,848
Fees, licenses, & permits	8,416	9,392	7,600	7,735	8,277
Fines, forfeitures & penalties	7,514	8,630	8,810	9,657	9,230
Charges for services	15,796	16,368	17,603	1,146	1,289
Intergovernmental	9,416	13,335	13,970	21,181	21,823
Investment income	8,303	6,985	2,348	693	248
Sale of property	-	814	780	710	270
Miscellaneous	17,680	10,009	11,534	13,241	13,521
Total revenues	234,606	252,325	254,300	227,893	237,506
Expenditures					
General government	43,329	45,601	43,643	39,458	40,350
Police	43,061	50,133	55,019	54,642	53,454
Fire	30,335	32,797	34,375	34,090	33,767
Public health & environ. services	8,327	7,349	7,445	-	-
Animal Services	-	1,141	1,134	1,259	919
Parks and recreation	12,392	13,775	13,777	16,223	12,941
Municipal court	3,020	3,105	2,966	3,212	2,970
Library	6,404	6,841	6,822	6,486	6,018
Community development	23,922	28,361	28,480	38,907	29,987
Drainage utilities	3,734	3,996	4,275	-	-
Public Works	11,738	12,489	11,858	12,001	14,167
Debt service - principal	14,600	17,135	17,045	17,865	15,565
Debt service - interest	8,642	9,547	15,133	18,122	17,717
Debt service - contract payments	1,476	1,816	2,052	2,415	2,052
Capital outlay	29,689	41,542	87,597	112,285	39,556
Total expenditures	240,669	275,628	331,621	356,965	269,463
Deficiency of revenues under expenditures	(6,063)	(23,303)	(77,321)	(129,072)	(31,957)
Other financing sources (uses)					
Transfer in	14,327	11,939	51,294	17,779	29,540
Transfers out	(11,716)	(11,939)	(46,481)	(21,213)	(31,443)
Bond proceeds	27,500	36,725	159,790	26,975	6,505
Premium on bonds issued	132	4	779	748	3,867
Proceeds of refunding bonds	-	-	21,305	-	51,825
Loan proceeds	-	-	-	-	-
Sale of capital assets	-	11,528	-	-	-
Payment to refunded bond agent	-	-	(23,430)	-	(55,024)
Total other financing sources (uses)	30,243	48,257	163,257	24,289	5,270
Net change in fund balances	$ 24,180	$ 24,954	$ 85,936	$ (104,783)	$ (26,687)
Debt service as a percentage of noncapital expenditures	11.16%	11.77%	12.80%	14.21%	14.52%

Schedule 4

Fiscal Year				
2012	2013	2014	2015	2016
$185,219	$195,866	$207,208	$221,700	$235,577
8,940	9,516	9,622	9,765	9,962
10,021	9,363	8,422	8,495	7,665
1,051	1,278	1,283	1,405	1,196
18,618	19,273	19,177	20,504	22,303
147	201	191	218	820
2	1	42	-	-
8,749	9,724	8,898	9,747	11,176
232,747	245,222	254,843	271,834	288,699
39,009	40,436	34,526	37,988	43,150
51,959	51,615	54,407	55,588	58,526
33,732	34,298	36,642	38,013	41,669
-	-	-	-	-
872	1,301	1,382	1,533	1,684
12,833	13,116	13,966	14,824	16,045
2,794	3,008	2,851	2,886	2,846
5,816	5,899	6,279	6,647	7,115
25,680	24,191	34,257	33,831	35,976
-	-	-	-	-
15,468	16,212	17,194	16,868	19,099
13,825	15,615	18,335	16,110	20,400
17,727	18,539	20,244	23,074	21,614
2,323	2,289	2,584	1,831	162
12,845	25,033	44,774	41,846	42,420
234,883	251,552	287,441	291,039	310,706
(2,136)	(6,330)	(32,598)	(19,205)	(22,007)
16,304	23,660	21,801	25,278	26,233
(15,408)	(22,835)	(21,301)	(24,778)	(25,667)
21,398	29,763	80,235	12,205	24,830
383	581	1,744	630	6,449
30,047	5,775	24,660	10,565	18,365
-	-	-	-	-
-	-	-	-	-
(29,966)	(5,876)	(23,275)	(10,941)	(21,163)
22,758	31,068	83,864	12,959	29,047
$ 20,622	$ 24,738	$ 51,266	$ (6,246)	$ 7,040
14.95%	15.08%	15.80%	15.65%	15.50%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2007	14,211,160,060	3,269,562,020	2,386,153,574	15,094,568,506	0.5479
2008	15,909,491,660	3,844,825,960	2,582,042,873	17,172,274,747	0.5406
2009	16,480,503,230	4,401,611,390	2,675,755,969	18,206,358,651	0.5406
2010	15,196,175,096	4,383,697,175	1,752,273,031	17,827,599,240	0.5406
2011	14,489,719,443	4,325,358,790	1,738,763,643	17,076,314,590	0.5761
2012	14,053,559,590	4,379,200,039	1,726,293,841	16,706,465,788	0.5986
2013	14,477,941,179	4,581,909,748	1,704,519,446	17,355,331,481	0.5986
2014	15,108,000,600	4,706,099,281	1,739,100,396	18,074,999,485	0.5986
2015	16,337,848,517	4,793,780,413	1,842,898,409	19,288,730,521	0.5941
2016	17,631,447,648	5,531,180,324	1,991,668,357	21,170,959,615	0.5941

Source: Dallas Central Appraisal District - Original Certified Tax Roll

Property Tax Rates - Direct and Overlapping (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal year	City of Irving			Irving School District	Dallas County	Total (1)
	General fund	Debt Service fund	Total			
2007	0.4204	0.1275	0.5479	1.6440	0.5539	2.75
2008	0.4072	0.1334	0.5406	1.3485	0.5672	2.46
2009	0.4057	0.1349	0.5406	1.3910	0.5764	2.51
2010	0.3813	0.1593	0.5406	1.4250	0.6022	2.57
2011	0.4152	0.1609	0.5761	1.4650	0.6233	2.66
2012	0.4415	0.1571	0.5986	1.4650	0.6238	2.69
2013	0.4462	0.1524	0.5986	1.4650	0.6434	2.71
2014	0.4452	0.1534	0.5986	1.4650	0.6538	2.72
2015	0.4518	0.1423	0.5941	1.4350	0.6639	2.69
2016	0.4641	0.1300	0.5941	1.4450	0.6628	2.70

Source: Irving Independent School District and Dallas County

(1) Dallas County rates include all jurisdictions for which ad valorem taxes are applicable to the entire City. These rates have been presented using the assessment ratio applied by the City of Irving in each respective year. Certain jurisdictions have been omitted for which immaterial amounts of taxing authority are applicable to the City.

IRVING
TEXAS

CITY OF IRVING, TEXAS **Schedule 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

		2016			2007		
	Taxpayer	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
*	Aviall, Inc	$1,390,599,960	1	6.57%	$ 292,034,310	1	1.70%
	F6TWS (Williams Square)	200,000,000	2	0.94%	-		-
	Oncor Electric Delivery	182,511,860	3	0.86%	-		-
	AMLI Properties	158,574,570	4	0.75%			
*	Zale Delaware	150,195,000	5	0.70%	152,914,850	3	0.89%
*	Verizon	149,264,460	6	0.71%	89,134,940	6	0.52%
	Urban Towers	125,000,000	7	0.59%	-		-
	Ericsson	117,091,180	8	0.55%	-		-
	GTE Realty Corp	112,689,290	9	0.53%	108,285,440	5	0.63%
*	Neiman Marcus Distribution	111,849,250	10	0.53%	62,313,360	10	0.36%
	Texas Utilities Electric Corp	-		-	170,014,750	2	0.99%
	TIAA Realty, Inc	-		-	135,850,000	4	0.79%
	Hines Las Colinas	-		-	76,859,323	8	0.45%
	Exxon Mobil Corp	-		-	77,561,750	7	0.45%
	Southwestern Bell	-		-	62,775,600	9	0.37%
	Total	$2,697,775,570		12.73%	$ 1,227,744,323		7.15%

Source: City of Irving Economic and Demographic Data Book
* Taxable Assessed Value offset by active incentive agreements

CITY OF IRVING, TEXAS

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Certified Current Tax Levy (1)	Adjusted Current Tax Levy(2)	Percent of Adjusted to Certified Levy	Adopted Budget(1)	Percent of Budget to Certified Levy
2007	84,513,516	83,637,331	98.96%	83,668,381	99.00%
2008	94,882,238	91,661,509	96.61%	93,933,416	99.00%
2009	99,750,053	97,785,702	98.03%	98,752,552	99.00%
2010	96,376,001	94,707,159	98.27%	95,412,241	99.00%
2011	97,411,005	96,450,762	99.01%	96,436,895	99.00%
2012	98,959,048	99,091,917	100.13%	96,980,029	98.00%
2013	103,633,782	103,255,236	99.63%	101,820,191	98.25%
2014	108,196,947	107,208,410	99.09%	106,303,500	98.25%
2015	114,592,842	112,920,392	98.54%	112,587,467	98.25%
2016	125,776,671	124,403,343	98.91%	123,575,579	98.25%

Note: Collections do not include penalty and interest on delinquent taxes.

Source:
(1) City of Irving Annual Adopted Budget Book
(2) Dalllas County Tax Office Collection Report

Schedule 8

Amount Collected in FY(2)	Percent Collected to Adj Levy	Percent Collected to Certified Levy	Collections/ Adjustments in Subsequent Years	Total Collections/ Adjustments to date	
				Amount	Percent of Levy
82,866,682	99.08%	98.05%	715,233	83,581,915	99.93
91,075,349	99.36%	95.99%	523,654	91,599,003	99.93
96,727,868	98.92%	96.97%	964,237	97,692,105	99.90
93,475,233	98.70%	96.99%	1,121,503	94,596,736	99.88
95,606,978	99.13%	98.15%	723,591	96,330,569	99.88
98,382,976	99.28%	99.42%	506,277	98,889,253	99.80
102,610,971	99.38%	99.01%	431,154	103,042,125	99.79
106,545,104	99.38%	98.47%	310,641	106,855,745	99.67
112,291,984	99.44%	97.99%	171,056	112,463,040	99.59
123,696,710	99.43%	98.35%	N/A	123,696,710	99.43

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities							
Fiscal Year	General Obligation Bonds	Special Revenue Bonds	Revenue Bonds	Notes Payable	Lease Payable	Total Governmental Activities		
2007	182,040,000	9,785,000	-	4,280,000	-	196,105,000		
2008	199,140,000	12,750,000	-	3,805,000	-	215,695,000		
2009	200,765,000	153,235,000	-	3,320,000	-	357,320,000		
2010	204,065,000	159,545,000	-	2,820,000	1,305,912	367,735,912		
2011	198,985,000	155,830,000	-	2,300,000	1,880,847	358,995,847		
2012	205,710,000	155,320,000	29,095,000	1,760,000	1,389,789	393,274,789		
2013	209,535,000	166,340,000	28,945,000	1,200,000	887,024	406,907,024		
2014	214,100,000	225,880,000	28,790,000	615,000	1,123,263	470,508,263		
2015	210,015,000	225,060,000	28,630,000	-	455,437	464,160,437		
2016	214,235,000	223,950,000	27,490,000	-	2,229,161	467,904,161		
	Water/ Sewer Revenue Bonds	Water Supply Obligations	Municipal Drainage Revenue Bonds	Total Business-Type Activities	Total Primary Government	Percentage of Effective Buying Income (1)	Per Capita (1)	
2007	173,640,000	19,550,059	-	193,190,059	389,295,059	8.31%	1,893.46	
2008	177,050,000	19,292,119	-	196,342,119	412,037,119	8.60%	1,960.68	
2009	181,550,000	19,025,788	-	200,575,788	557,895,788	10.12%	2,628.48	
2010	171,690,000	18,750,793	2,120,000	192,560,793	560,296,705	10.10%	2,621.88	
2011	184,505,000	18,466,852	2,040,000	205,011,852	564,007,699	10.26%	2,599.47	
2012	186,415,000	18,173,675	1,960,000	206,548,675	599,823,464	10.52%	2,717.83	
2013	189,145,000	17,870,961	4,535,000	211,550,961	618,457,985	10.47%	2,801.62	
2014	175,105,000	17,558,399	4,355,000	197,018,399	667,526,662	10.90%	2,940.26	
2015	172,295,000	17,235,670	4,170,000	193,700,670	657,861,107	10.74%	2,897.68	
2016	171,025,000	16,902,442	3,975,000	191,902,442	659,806,603	10.14%	2,855.81	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
(1) See the schedule 14 on Demographic and Economic Statistics for Effective Buying Income and population data.

Ratios of Net General Bonded Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Taxable Assessed Value (2)	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property	Net General Bonded Debt Per Capita
2007	205,600	15,094,568,506	182,040,000	9,385,809	172,654,191	1.14%	839.76
2008	210,150	17,172,274,747	199,140,000	6,636,508	192,503,492	1.12%	916.03
2009	212,250	18,206,358,651	200,765,000	4,644,823	196,120,177	1.08%	924.01
2010	213,700	17,827,599,240	204,065,000	6,696,558	197,368,442	1.11%	923.58
2011	216,970	17,076,314,590	198,985,000	7,310,659	191,674,341	1.12%	883.41
2012	220,699	16,706,465,788	205,710,000	8,114,949	197,595,051	1.18%	895.31
2013	220,750	17,355,331,481	209,535,000	8,518,968	201,016,032	1.16%	910.60
2014	227,030	18,074,999,485	214,100,000	8,154,486	205,945,514	1.14%	907.13
2015	228,653	19,288,730,521	210,015,000	8,208,138	201,806,862	1.05%	882.59
2016	231,040	21,170,959,615	214,235,000	8,262,713	205,972,287	0.97%	891.50

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: (1) Population estimates provided by the North Central Texas Council of Governments

(2) Dallas Central Appraisal District

CITY OF IRVING, TEXAS **Schedule 11**

Computation of Direct and Overlapping Debt
September 30, 2016
(Unaudited)

Jurisdiction	Net Debt Outstanding Amount	As of	Percent Applicable to City of Irving (1)	Amount applicable to City of Irving
Carrollton-Farmers Branch ISD	$ 242,085,000	9/30/2016	32.85%	79,524,923
Coppell ISD	288,134,166	9/30/2016	29.90%	86,152,116
Dallas County	227,980,000	9/30/2016	11.64%	26,536,872
Dallas County Community College District	294,050,000	9/30/2016	11.64%	34,227,420
Dallas County Hospital District	718,480,000	9/30/2016	11.64%	83,631,072
Dallas County Utility Reclamation Dist.	222,700,000	9/30/2016	99.01%	220,495,270
Dallas County Schools	50,405,000	9/30/2016	11.64%	5,867,142
Grand Prairie ISD	511,633,613	9/30/2016	4.46%	22,818,859
Grapevine-Colleyville ISD	479,417,699	9/30/2016	12.32%	59,064,260
Irving Flood Control District #1	6,165,000	9/30/2016	92.91%	5,727,902
Irving Flood Control District #3	420,000	9/30/2016	93.46%	392,532
Irving ISD	465,735,000	9/30/2016	93.81%	436,906,004
Dallas County Flood Control District #1	26,905,000	9/30/2016	99.55%	26,783,928
Total Net Overlapping Debt				1,088,128,300
City of Irving G.O. Bonds	214,235,000	9/30/2016	100.00%	214,235,000
Total direct and overlapping debt				$ 1,302,363,300
Debt as a percentage of total assessed value **			6.15%	
Total debt per capita			$ 5,636.96	

** Actual Valuation before Exemptions

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.
Source: First Southwest Company and Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Irving. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Computation of Legal Debt Margin
September 30, 2015
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution states in part:

> "...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

As a home rule city, the City of Irving is not limited by law in the amount of debt it may issue. The City's Charter (Article 5, Section 2) states:

> "The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Irving now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individual or corporation of not exceeding a total of one dollar and fifty cents ($1.50) on the One Hundred Dollars ($100) assessed valuation of said property."

The tax rate for fiscal 2016 was established at $.5941 per $100 of assessed valuation with an assessment ratio of approximately 84.6%. The assessment ratio of 84.6% is attributable to old age, disability and homestead exemptions aggregating 5.2% and agricultural tax abatement and other tax-exempt property aggregating 9.8%.

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended September	Gross Revenue (1)	Operating Expense (2)	Pension Expense (3)	Net Available Revenue	Average Annual Debt Service (4)	Times Coverage (5) / (6)	Maximum Annual Debt Service (4)	Times Coverage (5) / (6)
			WATER AND SEWER BONDS					
2007	66,051,049	47,416,068	NA	18,634,981	12,434,357	1.50 / NA	17,016,893	1.10 / NA
2008	74,451,292	50,089,602	NA	24,361,690	12,595,313	1.93 / NA	17,536,229	1.39 / NA
2009	76,854,060	50,304,204	NA	26,549,856	12,732,594	2.09 / NA	18,511,491	1.43 / NA
2010	75,762,173	52,034,519	NA	23,727,654	12,435,135	1.91 / NA	18,511,491	1.28 / NA
2011	85,541,196	48,800,685	NA	36,740,511	12,753,787	2.88 / NA	20,271,009	1.81 / NA
2012	84,497,101	46,904,560	NA	37,592,541	12,317,126	3.05 / NA	20,691,016	1.82 / NA
2013	85,308,445	50,249,928	NA	35,058,517	12,551,322	2.79 / NA	21,956,960	1.60 / NA
2014	82,520,011	55,046,968	NA	27,473,043	12,056,504	2.28 / NA	21,956,960	1.25 / NA
2015	84,947,278	61,870,294	3,298,895	26,375,879	11,189,219	2.36 / 2.06	21,559,468	1.22 / 1.07
2016	92,741,269	62,500,876	891,179	31,131,572	11,035,695	2.82 / 2.74	22,353,936	1.39 / 1.35
			MUNICIPAL DRAINAGE BONDS (7)					
2010	5,221,112	4,538,442	NA	682,670	153,092	4.46 / NA	155,893	4.38 / NA
2011	5,252,845	4,130,626	NA	1,122,219	153,070	7.33 / NA	155,893	7.20 / NA
2012	5,247,869	4,032,971	NA	1,214,898	153,135	7.93 / NA	155,893	7.79 / NA
2013	5,255,163	4,122,266	NA	1,132,897	325,286	3.48 / NA	353,036	3.21 / NA
2014	5,534,199	4,324,107	NA	1,210,092	323,995	3.73 / NA	353,036	3.43 / NA
2015	5,244,045	5,378,281	733,000	598,764	322,709	1.86 / -0.42	353,036	1.70 / -0.38
2016	5,242,440	4,361,804	99,020	979,656	320,925	3.05 / 2.74	350,705	2.79 / 2.51
			SOLID WASTE BONDS (8)					
2012	11,238,287	10,522,716	NA	715,571	2,331,613	0.31 / NA	2,481,815	0.29 / NA
2013	11,129,880	10,498,256	NA	631,624	2,374,922	0.27 / NA	2,481,815	0.25 / NA
2014	11,716,236	10,521,731	NA	1,194,505	2,423,748	0.49 / NA	2,481,815	0.48 / NA
2015	12,449,248	11,859,275	1,466,176	2,056,149	2,477,821	0.83 / 0.24	2,481,815	0.83 / 0.24
2016	13,154,076	11,731,389	396,080	1,818,767	2,477,642	0.73 / 0.57	2,481,815	0.73 / 0.57

Notes:
(1) Gross Revenue includes both receipts of pro rata and investment income as defined in revenue bond ordinances.
(2) As defined in revenue bond ordinances, excludes depreciation and debt service expense.
(3) GASB 68 implemented in FY15 requires the recognition of pension expense based on actuarial valuations. Pension expense is reflected in personnel services in financials and is broken out separately in this schedule for computation of revenue times coverage.
(4) As defined in revenue bond ordinances, average annual principal and interest payment, and maximum annual principal and interest of all bonds outstanding at end of fiscal year.
(5) Before the issuance of parity debt, bond covenants typically require a revenue coverage of 1.25 times the average annual debt service and 1.10 times maximum annual debt service. Net Available Revenues used in this revenue times coverage calculation does not include pension expense.
(6) Net Available Revenues used in this revenue times coverage calculation includes pension expense.
(7) Initial Municipal Drainage revenue bonded debt issued in Fiscal Year 2010.
(8) Solid Waste Disposal System Revenue Refunding Taxable Bonds were issued in Fiscal Year 2012. Although revenue bonds are secured by a lien and pledge of the Solid Waste Disposal System revenues, the debt service payments are being made from revenues in the General Fund; therefore, the bonds are reflected as governmental activities.

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Effective Buying Income (EBI) (in thousands of dollars) (2)	Per Capita Income (8)	Median Household EBI (3)	Number of House-holds (3)	Median Age (4)	School Enrollment (5)	Unemploy-ment Rate (6)
2007	205,600	4,685,007	22,787	44,740	86,679	*	45,475	4.3%
2008	210,150	4,788,688	22,787	44,956	88,463	30	33,233	5.1%
2009	212,250	5,510,859	25,964	46,574	89,292	32	46,255	6.8%
2010	213,700	5,548,507	25,964	47,007	91,128	32	52,812	8.0%
2011	216,970	5,494,548	25,324	47,269	91,367	31	45,992	7.7%
2012	220,699	5,700,876	25,831	47,266	91,694	31	57,889	5.8%
2013	220,750	5,905,946	26,754	48,005	92,452	31	56,525	5.4%
2014	227,030	6,122,999	26,970	49,407	93,311	31	54,869	5.1%
2015	228,653	6,166,771	26,970	50,810	83,099	32	53,582	3.6%
2016	231,040	6,508,166	28,169	50,942	82,817	32	53,876	3.7%

Sources: (1) Official City Estimates, Census, and North Central Texas Council of Governments
(2) Calculated by multiplying population by per capita income divided by 1,000
(3) North Central Texas Council of Governments
(4) U. S. Census Bureau, 2000 Census * Median Age only available during census years
(5) Irving I. S. D., North Lake Community College and University of Dallas
(6) TAMU Real Estate Data Center; Tracer - August 2014
(7) en.wikipedia.org, and dallastx.real-estate.com
(8) Texas Hometown Locator

IRVING
TEXAS

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2016 (2)				2007 (1)		
Employer	Employees	Rank	Percent of Total City Employment	Employer	Employees	Rank	Percent of Total City Employment
Citigroup, Inc	6,500	1	2.61%	Citigroup, Inc.	6,430	1	3.89%
Irving Mall (WP Glimcher)	2,100	2	0.84%	Verizon	6,000	2	3.63%
Allstate Insurance	2,000	3	0.80%	Citicorp Credit Company	3,795	3	2.29%
YRC Freight	1,941	4	0.78%	Nokia	2,500	4	1.51%
Baylor Scott-White Med Ctr	1,907	5	0.77%	Central Freight Lines	2,000	5	1.21%
Pioneer Natural Resources Co	1,750	6	0.70%	Allstate Insurance	1,650	6	1.00%
Microsoft Corp	1,500	7	0.60%	Abbott Laboratories	1,500	7	0.91%
Neiman Marcus Direct	1,500	8	0.60%	Aegis Communications	1,500	8	0.91%
Quest Diagnostics	1,500	9	0.60%	Baylor Medical Center	1,500	9	0.91%
Nokia	1,500	10	0.60%	Zale Corporation	1,351	10	0.82%
Total	22,198		8.91%		28,226		17.08%

Source: (1) North Central Texas Council of Governments & Texas Workforce Commission
(2) Greater Irving - Las Colinas Chamber of Commerce

CITY OF IRVING, TEXAS

Full-time Equivalent City Government Employees
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
By Functions					
General Government	219.00	222.00	220.00	196.00	189.00
Police & Code Enforcement	576.00	576.00	623.00	623.00	619.00
Fire	318.00	318.00	318.00	318.00	318.00
Environmental Services	91.00	91.00	106.00	106.00	104.00
Parks and Recreation	299.00	312.00	321.00	339.00	350.00
Library Services	116.00	116.00	115.00	113.00	113.00
Court Services	41.00	41.00	42.00	41.00	41.00
Community Development	124.00	119.00	80.00	38.00	73.00
Public Works	325.00	319.00	292.00	359.00	375.00
Community Services	93.00	102.00	77.00	79.00	75.00
Total Employees by Function	2,202.00	2,216.00	2,194.00	2,212.00	2,257.00
By Departments					
City Secretary's Office	12.00	12.00	12.00	12.00	11.00
City Manager's Office	11.00	11.00	9.00	5.00	5.00
Police & Code Enforcement	576.00	576.00	623.00	623.00	616.00
Fire	318.00	318.00	318.00	318.00	318.00
Public Health and Env. Services	91.00	91.00	106.00	106.00	104.00
Parks and Recreation	303.00	316.00	321.00	379.00	350.00
Finance	26.00	26.00	26.00	20.00	34.00
Inspections	44.00	38.00	36.00	28.00	27.00
Human Resources	27.00	29.00	27.00	24.00	14.00
Municipal Court Services	41.00	41.00	42.00	41.00	41.00
Library Services	116.00	116.00	115.00	113.00	113.00
Planning and Development	36.00	0.00	4.00	10.00	13.00
City Attorney	17.00	17.00	17.00	17.00	17.00
Public Works	325.00	324.00	292.00	332.00	375.00
General Services	85.00	83.00	87.00	21.00	39.00
Information Technology	41.00	44.00	42.00	39.00	42.00
Community Affairs	33.00	73.00	36.00	33.00	30.00
Housing and Human Services	11.00	11.00	11.00	13.00	13.00
Irving Convention and Visitors Bureau	40.00	40.00	40.00	46.00	46.00
Irving Arts Center	49.00	50.00	30.00	32.00	49.00
Total Employees by Department	2,202.00	2,216.00	2,194.00	2,212.00	2,257.00
By Fund					
General	1,827.50	1,842.50	1,844.00	1,764.00	1,792.00
Water and Sewer	163.00	166.00	163.00	168.00	165.00
Solid Waste Services	0.00	0.00	0.00	90.00	89.00
Lake Chapman	0.00	0.00	0.00	0.00	0.00
Garage	35.00	31.00	28.00	19.00	19.00
Grants	15.00	15.00	14.00	18.00	16.00
Hotel Occupancy Tax	93.00	93.00	74.00	81.00	98.00
Municipal Court Funds	3.50	3.50	1.00	1.00	1.00
Tax Increment Financing	0.00	0.00	1.00	0.00	0.00
Recreation Centers	34.00	34.00	34.00	35.00	41.00
Municipal Drainage Utility	31.00	31.00	35.00	36.00	36.00
Total Employees by Fund	2,202.00	2,216.00	2,194.00	2,212.00	2,257.00

Source: Current and prior years City of Irving Annual Operating Budget documents

Schedule 16

Fiscal Year				
2012	2013	2014	2015	2016
170.00	163.00	158.00	204.00	198.00
620.00	614.00	626.00	606.00	608.00
318.00	318.00	318.00	369.00	369.00
104.00	110.00	114.00	116.00	116.00
353.00	330.00	357.00	371.00	371.00
113.00	113.00	107.00	102.00	102.00
41.00	42.00	42.00	37.00	37.00
83.00	93.00	92.00	89.00	89.00
349.00	382.00	377.00	320.00	322.00
86.00	74.00	72.00	97.00	97.00
2,237.00	2,239.00	2,263.00	2,311.00	2,309.00
11.00	10.00	10.00	9.00	9.00
4.00	11.00	16.00	20.00	20.00
620.00	614.00	626.00	612.00	608.00
318.00	318.00	318.00	369.00	369.00
104.00	110.00	114.00	116.00	116.00
353.00	330.00	357.00	371.00	371.00
38.00	22.00	34.00	29.00	29.00
31.00	29.00	31.00	31.00	31.00
9.00	18.00	15.00	15.00	15.00
41.00	42.00	42.00	37.00	37.00
113.00	113.00	107.00	102.00	102.00
6.00	18.00	9.00	9.00	9.00
17.00	18.00	17.00	17.00	17.00
375.00	382.00	377.00	320.00	322.00
19.00	45.00	33.00	73.00	73.00
46.00	39.00	39.00	35.00	35.00
24.00	33.00	30.00	33.00	33.00
13.00	11.00	11.00	11.00	11.00
46.00	46.00	46.00	43.00	43.00
49.00	30.00	31.00	59.00	59.00
2,237.00	2,239.00	2,263.00	2,311.00	2,309.00
1,771.00	1,767.00	1,800.00	1,867.00	1,864.00
160.00	161.00	157.00	156.00	157.00
89.00	93.00	97.00	97.00	97.00
0.00	0.00	0.00	0.00	0.00
19.00	25.00	26.00	27.00	27.00
16.00	12.00	12.00	18.00	19.00
98.00	79.00	80.00	105.00	105.00
1.00	1.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
41.00	49.00	50.00	0.00	0.00
42.00	52.00	41.00	41.00	40.00
2,237.00	2,239.00	2,263.00	2,311.00	2,309.00

CITY OF IRVING, TEXAS

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
Functions					
Police					
Reported Index Crimes	14,103	13,868	9,181	8,595	7,598
Arrests (Juvenile and Adult)	17,204	17,368	14,515	14,515	12,586
Fire					
Responses (Fire and Ambulance)	34,500	28,950	31,400	31,400	32,946
Inspections	9,343	9,500	9,300	9,916	11,728
Environmental Services					
Tonnage Collected by Sanitation Crews	51,150	52,000	50,000	50,000	64,421
Annual Tons Recycled	2,450	2,500	2,500	2,500	12,395
Health Classes, Events, Presentations	160	85	85	85	185
Animals Handled by Shelter	9,410	8,000	8,400	8,000	6,500
Parks and Recreation					
Customer Svc Rating	97.00%	97.00%	95.00%	97.00%	97.00%
Rec./Athletic/Aquatic Program Participation	240,000	269,000	275,500	360,500	530,973
Park Elements Certified	94.00%	94.00%	95.00%	95.00%	95.00%
Library Services					
Library Visitors	928,768	1,020,927	1,051,555	1,031,136	1,100,000
Library Program Attendance	81,064	85,024	87,575	85,146	71,732
Court Services					
Traffic Violations Filed with Court	80,378	81,000	73,788	73,788	72,262
Community Development					
Subdivision Plats Filed	95	95	58	37	47
Building Inspection Plans Reviewed	4,500	4,500	4,917	4,077	4,822
Building Permits Issued	15,100	15,500	14,931	14,294	16,552
Zoning Cases Filed	75	75	56	59	48
Public Works					
Street Repair: Tons of Asphalt/Crew Hour	3.00	3.00	3.00	3.00	3.00
In House Design and Contract Admin.	$ 11,561,999	$ 13,975,000	$ 11,000,000	$ 11,000,000	$ 8,800,000
Traffic Signals Maintained (City Maintained)	185	189	189	143	203
Gallons of Water Pumped (000s)	15,600,000	16,210,000	16,000,000	16,000,000	13,555,730
Drinking Water Samples	3,000	2,700	2,700	2,700	2,271
Wastewater Stoppages Cleared	275	275	250	250	937
Community Services					
Neighborhood Round Table Attendance	175	200	225	265	222
Partnership Fund Projects Completed	15	20	22	22	21
Arts Center Visual Art Exhibits	24	24	24	24	24
Arts Center Theater Performances	240	261	269	290	267

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Fiscal Year				
2012	2013	2014	2015	2016
6,827	6,833	6,705	6,584	6,936
12,564	11,710	10,264	8,035	7,448
20,262	21,043	23,495	24,948	26,169
13,136	12,315	14,064	16,502	14,046
62,607	68,172	55,415	47,775	58,113
12,229	12,298	10,570	3,147	3,242
237	229	169	397	154
6,146	7,829	7,706	8,062	7,819
98.00%	98.00%	99.00%	99.00%	98.00%
604,014	675,356	637,203	684,115	685,503
95.00%	95.00%	95.00%	100.00%	100.00%
959,181	868,821	787,615	808,299	868,688
55,154	67,083	68,574	68,722	75,502
70,902	68,473	48,088	50,462	41,018
41	75	67	88	69
6,385	5,285	5,087	5,224	6,651
15,684	14,844	12,300	13,143	14,017
70	54	84	87	107
3.10	3.10	3.10	3.00	3.00
$ 20,900,000	$ 16,323,440	$ 13,061,144	$ 36,545,971	$ 26,226,590
206	206	206	206	206
11,941,810	12,879,440	12,412,954	11,467,400	12,424,100
1,821	2,605	2,432	2,265	2,842
971	952	1,055	1,202	950
275	250	271	198	144
18	22	22	20	9
23	23	27	18	24
232	186	217	519	545

CITY OF IRVING, TEXAS

Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2007	2008	2009	2010	2011
Functions					
Police					
Police Vehicles	223	233	238	216	199
Fire					
Fire Fighting Units	23	24	24	26	26
Ambulances	11	12	12	12	12
Parks and Recreation					
Developed Park Acreage	1,445	1,451	1,451	1,451	1,451
Number of Parks	59	59	60	81	81
Public Works					
Miles of Streets	725	725	725	725	725
City Maintained Street Lighting	1,250	1,250	1,250	1,243	1,243
Water Main Miles	711	733	733	733	688
Fire Hydrants	5,559	5,559	5,558	5,558	5,558
Sewer System Miles	573	741	741	1,051	630
Meters in Service	43,757	43,757	43,757	43,311	43,311

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 18

Fiscal Year				
2012	2013	2014	2015	2016
253	341	264	244	267
22	22	22	15	15
12	12	12	8	9
1,451	1,796	1,796	1,662	1,668
81	81	81	81	81
850	850	850	850	850
1,243	1,243	1,442	1,442	1,442
708	699	702	710	715
5,548	5,654	5,715	5,654	5,831
658	645	650	656	659
44,675	45,230	45,764	44,000	46,966

IRVING
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